



Daily Report

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General

Li Peng Meets Radio-Tv Seminar Attendees

OW291243 Beijing Domestic Service in Mandarin
1030 GMT 26 Sep 87

[From the "National Hookup Program"]

[Text] Vice Premier Li Peng this afternoon met in the Great Hall of the People with 26 noted foreign and Chinese experts and well-known personages who attended an international seminar on radio and television technology. He congratulated them on the success of the seminar, which was held in Beijing from 24 to 26 September.

The seminar was held for the main purpose of enlarging the exchange of radio and tv technology between China and foreign countries, of learning from advanced foreign technology, and of improving China's radio and tv technology.

Ai Zhisheng, minister of the Ministry of Radio, Cinema, and Television, was present at the meeting.

United States & Canada

Han Nianlong Fetes Maureen Reagan

OW302253 Beijing XINHUA in English 1631 GMT
30 Sep 87

[Text] Beijing, September 30 (XINHUA)—Han Nianlong, president of the Chinese People's Institute of Foreign Affairs, hosted a dinner here this evening in honor of Maureen Reagan, co-chairman of the Republican National Committee of the United States.

This morning, Chinese Vice-Minister of Foreign Affairs Qian Qichen discussed issues of common interest with Maureen Reagan and her colleagues.

The U.S. visitors came here as guests of the Chinese People's Institute of Foreign Affairs. They are scheduled to tour Xian, Suzhou and Guangzhou.

Northeast Asia

PRC, DPRK Sign Protocol on Science Research

OW011334 Beijing XINHUA in English 1328 GMT
1 Oct 87

[Text] Pyongyang, October 1 (XINHUA)—A protocol on science research between the Chinese and Korean Academies of Sciences was signed here this afternoon.

The protocol was worked out in accordance with the 1987-88 program on science cooperation between the two nations' science academies. It involves a total of 15 items of joint research concerning physics, biology, maths, geology and geography.

This is the first time that China and the Democratic People's Republic of Korea decided that the scientists of all institutes affiliated to the science academies of the two countries cooperate in their research.

Southeast Asia & Pacific

Deng Yingchao Meets Visitors From Thailand

OW011252 Beijing XINHUA in English 1243 GMT
1 Oct 87

[Text] Beijing, October 1 (XINHUA)—Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, met Pricha Phisitkasem, honorary president of the Thai-Chinese Chamber of Commerce of Thailand, his wife and their party here today.

Deng, who is also honorary president of the China Population Welfare Foundation, said she was very pleased to meet the Thai visitors today which is China's National Day.

Phisitkasem, who is also honorary president of the Thai-Chinese Journalists' Welfare Fund of Thailand, told Deng that he went to Thailand at the age of 14 and visited China last year when he was 74. The current trip is his second visit.

Deng spoke highly of his contributions to Sino-Thai friendship and to Thailand's national construction.

Phisitkasem said that during this visit he has been invited to be a council member of the China Population Welfare Foundation. After visiting Beijing, he will also tour Nanjing, Suzhou, Hangzhou and Guangzhou.

Deng also praised him for his concern for China's peaceful reunification.

Army Paper on SRV Refusal To Attend Talks

HK010945 Beijing JIEFANGJUN BAO in Chinese
14 Sep 87 p 1

[Commentary by JIEFANGJUN BAO reporter Chen Xiong (7115 7160): "Why Does Hanoi Refuse To Drink the Cocktail"]

[text] The Vietnamese Government recently rejected brazenly the "cocktail party" proposal advanced by the Association of Southeast Asian Nations (ASEAN) for solving the Cambodia question, thus closing the door on dialogue. Hanoi claimed that the ASEAN proposal "in essence is a conspiracy" aimed "at placing the label of aggressor on Vietnam" and, thus, enabling Democratic Kampuchea to achieve "the goal that it cannot achieve through military force." Therefore, it "resolutely rejects" this ASEAN proposal and is definitely not going to attend this kind of "cocktail party." This mischief by Hanoi really is absurd and ridiculous.

The "cocktail party" has been brewing in ASEAN for some time. As everyone knows, the aggressive war Vietnam started against Cambodia is already 9 years old. It not only brought very great calamity to the Cambodian people but also severely harmed peace in Southeast Asia. ASEAN has continuously made unremitting efforts to find ways to solve the Cambodian problem. The unofficial "cocktail party" to which all Vietnamese and Cambodian political parties have been invited is an ASEAN attempt to seek a solution of the Cambodia question through dialogue. For this purpose, the Indonesian foreign minister, as the ASEAN liaison man, visited Hanoi in July to make a preliminary sounding of Vietnam's position. The six ASEAN foreign ministers recently held an extraordinary meeting in Bangkok and formally put forward the "cocktail party" proposal. The important points of the proposal are: 1) Besides all the Cambodian parties attending the meeting, Vietnam must "immediately attend" this "cocktail party." 2) The eight-point proposal of the Coalition Government of Democratic Kampuchea must be the basis of the "cocktail party" for discussing the Cambodian question. Hanoi, however, cooked up a set of "reasons" to reject this "cocktail party," which is merely an unofficial meeting, and unreasonably condemn ASEAN. Let us now take apart Hanoi's so-called "reasons" and see what they really are.

First, inviting Vietnam to "immediately attend" this party is a so-called ASEAN "conspiracy." Even the gracious ASEAN invitation is regarded as a "conspiracy." This is really absurd. Who on earth does not know that the Cambodia problem was entirely caused by Vietnam's aggression and occupation. In searching for a political solution of the Cambodian question, Vietnam, being the principal party concerned, of course must attend the meeting. If the principal party does not attend, how can the wine bottle be uncorked? The ASEAN invitation was made in goodwill and out of respect, inviting Vietnam to come quickly and attend the party. This is sincere, earnest, respectful, open, and aboveboard. How could it be "a conspiracy"? Speaking of a conspiracy, Hanoi actually is playing a big conspiracy. According to the statements and announcements made by Hanoi daily, the "cocktail party" in its dreams can only be attended by its stooge, the Heng Samrin regime, and the Democratic Kampuchea party "to discuss affairs of state together." This is the so-called "Cambodian people discussing the internal problems of Cambodia" while Vietnam can stay outside and need not attend the meeting. This is exactly Hanoi's conspiracy because if the "cocktail party" were actually held according to such a formula, Hanoi would reap unfair gains. (1) If the cocktail party were started without Hanoi in attendance, Vietnam would immediately be transformed into an outside party and the war of aggression that clearly was started by Vietnam then would become a Cambodian civil war and, thereby, Vietnam would be absolved of the guilt of invading Cambodia. (2) To allow the puppet Kampuchean regime to have an "equal dialogue" with the three factions of Democratic Kampuchea and unofficially talk for 3 or 5 years could raise the

standing of the Phnom Penh regime. This would create the false impression that the international community accepted the Vietnamese invasion of Cambodia as "a fact" and that the Vietnamese army that invaded Cambodia could remain in Cambodia. (3) By not attending the meeting, and allowing the Heng Samrin regime to start unofficial meetings with the Democratic Kampuchean side, the false impression would be created that the political solution of the Cambodia question had already started and this, more or less, would cause international pressure to lessen. From Hanoi's point of view, this is a good conspiracy to hit three targets with one arrow. People can easily see from this that Hanoi regards the ASEAN invitation that it should "immediately attend" the meeting as "a conspiracy" just to cover up its own big secret conspiracy. Thus, it has covered up its rejection of the invitation to attend the meeting with a beautiful veil.

Second, Hanoi's argument that ASEAN wants "to put the label of aggressor on Vietnam" and therefore it definitely will not attend the "cocktail party," is a flagrant blasphemy against the real intentions of ASEAN. It also reflects Hanoi's timid heart as that of a thief. In fact, the extraordinary meeting of ASEAN foreign ministers invited Vietnam to attend the "cocktail party" together with the opposing Cambodian parties without setting prior conditions for Vietnam and also without the intention of placing accusing labels on Vietnam. This showed due respect for the feelings of the Hanoi government, this archcriminal that has used military force to create the Cambodian question. This formal ASEAN proposal only reaffirmed that the "cocktail party" must be based on the eight-point proposal of the Coalition Government of Democratic Kampuchea. The aim is no more than to give this sort of unofficial meeting a realistic basis to pave the way for opening a political dialogue. Moreover, the eight-point Democratic Kampuchea proposal entirely conforms with the basic spirit of the related resolutions adopted by all previous sessions of the United Nations. In addition, the great majority of countries in the world support it. It also shows great consideration for Vietnam. Now, the ASEAN proposal has reaffirmed this, thereby fully reflecting ASEAN's good intentions toward Vietnam. But the Hanoi government was not only unthankful, but also accused ASEAN of "not understanding the times." This is really too impolite and unreasonable. Frankly speaking, the history of Vietnam's aggression against the sovereign state of Cambodia with its armies is already 9 years old. It is truly an aggressor covered with blood. There is no more need for anyone to put a label on it. Hanoi is still covering its ears and eyes as before and rejected the "cocktail party" with this reason. This nonsense of a drunkard deserves the ridicule of the world.

It is clear that Hanoi's rejection of the reasonable ASEAN proposal by using these absurd "reasons" once again shows that Hanoi has no sincere desire at all to solve the Cambodia question through peaceful dialogue.

Most recently, despite Hanoi's continuous glib talk about a "political solution", it still persists in its aggression upon Cambodia. Its refusal to withdraw its armies has not changed at all. The fundamental reason for its refusal to attend the "cocktail party" is its premonition and worry that by attending the party it would be called upon to withdraw all its armies from Cambodia as soon as possible. This is the crux of the problem. Therefore, in Hanoi's view, this world famous "cocktail party" is not like the customary party of "fine wine and good music." It fears that sorrow will come during great happiness. In its difficulty to give an affirmative reply, it could not but fabricate "reasons" to oppose the meeting and to reject the invitation and sneak away.

The chairman of the ASEAN Standing Committee, Thai Foreign Minister Sitthi Sawetsila announced the other day that the "cocktail party" to search for a solution of the Cambodia question has "fizzled out" because of the wanton "undermining" by Vietnam. Actually, it is not such a bad thing that it has fizzled out. This will enable all good people to clearly see the aggressive face of the Vietnamese Government. There is a Chinese saying that

says "the one not drinking the wine of respect will drink the wine of punishment," and the consequences will be too ghastly to contemplate. Hanoi's rejection of talks and persistence in opposing the international community and remaining in Cambodia will in the end definitely result in its suffering a more severe punishment.

Near East & South Asia

Indian Ambassador Meets Li Xiannian
BK301511 Delhi Domestic Service in English
1430 GMT 30 Sep 87

[Text] The Indian Ambassador to China, Mr Ranganathan, called on the Chinese president, Mr Li Xiannian, in Beijing today. The Chinese president told Mr Ranganathan that problems between the two countries can be resolved on the basis of mutual understanding and accommodation. Reciprocating the sentiments, Mr Ranganathan said relations between the two countries can be improved on the basis of the five principles of peaceful co-existence.

Pre-Congress Meeting Said Scheduled
HK020351 Hong Kong HONGKONG STANDARD
in English 2 Oct 87 p 18

[By China editor David Wong]

[Text] Chinese leaders are to assemble next week in Beijing for a seventh Central Committee meeting which will endorse proposals for various leadership changes and political reforms, paving the way for the coming party congress.

Although it has been officially announced that the congress will begin on October 25, there have been no official details about the preparatory Central Committee Meeting.

According to a Chinese source, however, Beijing leaders have decided to hold the meeting beginning October 10. It is to last for five days.

The meeting would touch on the much-speculated leadership changes at the highest party levels as well as on number of political reforms laid down in a detailed report forwarded by acting General Party Secretary and Premier Zhao Ziyang.

The source said that a consensus had been reached by party leaders confirming Mr Zhao as party chief. His successor as premier, however, has yet to be agreed upon.

But after months of heated debate it looks almost a certainty that Vice-Premier Li Peng will be offered the plum job, the source said.

The Central Committee meeting, to be attended by 300-plus members, would also endorse the resignation of ousted Party Secretary Hu Yaobang who was forced from his post after street demonstrations last December and January by students in more than a dozen cities calling for greater freedom and democracy. The demonstrations were seen by many of the old guard as threatening the ultimate authority of the Communist Party thus precipitating Mr Hu's downfall.

Mr Hu, who is still a member of the Politburo Standing Committee, is expected to attend the Central Committee meeting which would be chaired by a presidium comprising all veteran party leaders.

It is understood that the Central Committee would endorse most of the proposals forwarded by the Party Secretariat headed by Mr Zhao, before all the recommendations are submitted to the party congress for formal approval. The Central Committee would then be dissolved until a new committee is elected by the congress.

The congress will also pass a revised party charter which will serve to prevent a "strongman" or a "superclique" from dominating the Politburo Standing Committee.

Quoting sources in Beijing, the latest issue of *Asiaweek*, to be published on Monday, said the revised charter would aim at consolidating a form of collective leadership within the party.

Under the revised charter, the Politburo Standing Committee would meet more frequently to exchange views.

"Moreover, the Politburo as well as its Standing Committee must on fixed occasions report on their work—and in general be responsible—to the party's Central Committee," a source said.

In addition, the Central Committee, which usually meets once a year, will convene at least twice annually in the future.

However, some analysts see the move as a strategy by the old guard to retain their hold on power.

"There is a limit as to how often Central Committee members, who are scattered all over the country, can meet," a political observer said.

"Some people fear that 'reporting to the Central Committee' will actually mean reporting to the Yanan generation of elders. In a communist party, when there is no centre of power, the old guard almost automatically has the biggest say."

According to *Asiaweek*, if Mr Zhao has his way, the keynote report to the congress will state that "China is at the transitional stage from rule by personality to rule by law."

The document will promote the idea that the politics of personality or faction are no longer tenable.

LIAOWANG Greets Approaching Congress
HK020935 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 39, 28 Sep 87 p 1

[("Letter From Beijing" by Bao Xin (7637 0207): "Celebrating National Day, Greeting the 13th Party Congress")]

[Text] 21 September

Dear Brother,

In the last 10 days of September, the holiday atmosphere is increasing in Beijing for the approaching National Day, the festival of the entire Chinese nation. However, the situation this year is different from the past. This is because when the celebration of National Day is over, the 13th party congress, which is of great historical significance, will soon be held in Beijing. The people of Beijing and the whole country are presently waiting for the arrival of the golden October with joy and excitement. All these factors have made this year's holiday atmosphere stronger than ever before;

It is 38 years since the PRC was founded on 1 October 1949. Over the past 38 years, we have experienced a lot of setbacks, difficulties, and misery. Today, we have finally taken the broad road of building socialism with Chinese characteristics.

The 3d Plenary Session of the 11th CPC Central Committee was a glorious milestone on China's road to build socialism. Now, on China's mainland, the phrase "the 3d Plenary Session of the 11th CPC Central Committee" has become known to all. Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC has brought order out of chaos, eliminated the pernicious influence of "leftist" ideology, which caused enormous damage to our country and people, negated the line of "grasping class struggle as the key link," and formulated the line of unfolding overall reform with the stress on economic construction. Over the past 9 years, China's national economy has been greatly invigorated and has been steadily and continuously developing. Moreover, the total industrial and agricultural output values, the gross national product, the state revenue, and the average income of the urban and rural inhabitants of our country have been doubled. In the meantime, our country has achieved great successes in the political, cultural, national defense, diplomatic, and various other fields. It can be said that our country has now entered a new historical period of development, unprecedented since the founding of the PRC. When thinking about these things, the 1 billion Chinese people simply cannot help feeling happy and gay!

At this great moment, all sorts of feelings well up in people's minds. People simply cannot forget the period before the 3d Plenary Session of the 11th CPC Central Committee, especially the period between the late 1950's and the 3d Plenary Session of the 11th CPC Central Committee, during which political movements were carried out one after another and the development of our national economy experienced ups and downs. Everyone can easily see the sharp contrast between the past 9 years and the more than 20 years before the 3d Plenary Session of the 11th CPC Central Committee. This sharp contrast has made the Chinese people feel deeply that the line, principles, and policies implemented by the party and state since the 3d Plenary Session of the 11th CPC Central Committee are correct, and that only by adhering to these correct line, principles, and policies of our party and state and by taking the road of building socialism with Chinese characteristics will China be able to realize her modernizations and become a strong and prosperous country in the world. This is the long-cherished wish of the entire Chinese people.

It is for this reason that the people of Beijing and other parts of China are enthusiastically making preparations for the opening of the 13th party congress, which will be held in Beijing during the last 10 days of October. It is learned that the central topic for discussion at the 13th party congress will be speeding up reform. Reform is the only way to revitalize China and is also the trend of our

times and the desire of the entire Chinese people. It is just as Comrade Deng Xiaoping said to foreign guests not long ago: The whole party supports the reform and the reform is the demand of the entire Chinese people. The 13th party congress will sum up the practice and experience of the overall reform that has been carried out since the 3d Plenary Session of the 11th CPC Central Committee, continue to adhere to and develop the line, principles, and policies that have been implemented by our party and state since the 3d Plenary Session of the 11th CPC Central Committee, and speed up the pace of the reform.

Now, everyone agrees that the 3d Plenary Session of the 11th CPC Central Committee was a meeting of great historical significance. The most outstanding achievement of the 3d Plenary Session of the 11th CPC Central Committee was that the 3d Plenary Session of the 11th CPC Central Committee summed up our country's practice and experience since the founding of the PRC and achieved the understanding that China is still at the initial stage of socialism. Here, the initial stage of socialism does not refer to the initial stage immediately after the proletariat wins political power, which is divided into three periods: the early period, the middle period, and the late period, but refers to the initial stage that is completely determined by China's unique historical and social conditions, which is a stage China must experience and cannot transcend. China entered socialist society from the womb of a semicolonial and semifeudal society, not from the womb of a capitalist society. For this reason, China's productive forces, production relations, and superstructure have a series of unique characteristics. China is a big developing country. China is not only different from the developed capitalist countries, but also different from many other developing countries. This situation has determined that when building socialism, China cannot mechanically transplant the patterns of other countries, and China must build socialism by taking its own road and in the light of its own national conditions. This means that China should carry out the reform and build socialism with Chinese characteristics.

Only by achieving a correct understanding of the historical period China is presently in will it be possible for us to formulate correct strategies and policies. Why have the principles and policies implemented by our party since the 3d Plenary Session of the 11th CPC Central Committee been so heartily welcomed by the broad masses of people, and why have they produced so many good results? The reason is that we have had a correct understanding of China's present historical period and have formulated the line, principles, and policies according to China's national conditions and in the light of our correct understanding of China's present historical period. The essence of the Marxist theory on knowledge is to seek truth from facts and proceed from reality in doing everything. The key to solving China's problems is to proceed from China's national conditions. That China is still at the initial stage of socialism is the most basic reality of China and the most basic national situation of

China. When building socialism with Chinese characteristics, we must first understand this point. So, we should formulate the party's line, principles, and policies by proceeding from this most basic national situation of China and by seeking truth from facts. The upcoming 13th party congress will sum up and expound this important question, which concerns the development of our party's theory and practice, and that will certainly play an important guiding role in our party's work and our country's construction for a long historical period in the future.

Yours,

Bao Xin

Commentator Urges 'Active Part' in Reform
HK011531 Beijing NONGMIN RIBAO in Chinese
23 Sep 87 p 1

[Commentator's article: "Have the Sense of Being Masters Toward Reforms"]

[Text] China has made achievements in carrying out rural reform that are obvious to all. Rural reform is developing in depth. In fact, this reform is a profound revolution. In this revolution, there are sure to be new contradictions and new problems. How these contradictions and problems are treated has an important bearing on whether the reform can be carried out smoothly and healthily. Our comrades are required to give serious consideration to this problem and to correctly understand and solve it.

With regard to the reforms, China is taking a road never traversed by its predecessors, and there is no ready-made experience to which to refer. Therefore, we can go ahead only under the guidance of the basic theory of Marxism. China's reforms are now in the period of the new substituting for the old. Following the profound development of reforms, a change is bound to take place in the relationship of interests in various fields. For example, because of their different conditions and opportunities, some people may easily receive actual benefits from the reforms while others may receive fewer benefits or even suffer losses. In this regard, we should have the style and courage of revolutionaries and be able to take the entire process of reforms into account. The reforms need to be further developed and perfected, and no success can be attained in one move. We should not judge what is right and what is wrong from our personal gain or loss or from our immediate and local interests, but from the fundamental interests of the people. We should understand that reforms are carried out in the basic and long-term interests of the people and for the prosperity of the country and happiness of the people. We should not expect that every reform measure will bring immediate benefits for everyone, and still less should we demand perfection from every reform measure or think that it can always play a positive role. Reforms involve the removal of old structures in the production sphere and

traditional concepts in the ideological sphere. This determines the complexity and arduousness of the reforms. What we hope is that large-scale setbacks will not occur in reforms and that reforms will not be abandoned halfway. But thinking that we can make reforms a success without an effort or a mistake is unrealistic.

Reforms accord with the will of the people and the general trend of events and are, therefore, irreversible. The reforms have given the people hope and confidence. The people also understand that due to the long influence of the "leftist" tendency, some people's minds are lagging behind the reforms. They usually use "leftist" theory and rigid views to judge real life, the changes and development in our socialist cause, and the creative activities of the people. Whenever difficulties or problems crop up in reforms, they are very happy, as if they had found a treasure, and begin to criticize reforms by "quoting the classics." In fact, their theories, views, and principles do not conform with Marxism, nor do they suit China's specific conditions. Some of their theories, views, and principles are copied from what we did in the revolutionary base areas before liberation. Some people remain silent when nothing happens, but when something goes wrong in reforms, they talk a great deal. But the views they air are the old views adopted 8 years ago. If their theories, views, and principles are not removed, they will continue to hamper the carrying out and development of the reforms.

As to problems in reforms, they should be analyzed in a down-to-earth manner on the basis of serious investigation. We should first of all differentiate between the major and minor aspects, and see whether it is a mistake in the guidelines or a problem in specific work. When the policy of fixing farm output quotas for each peasant household was just implemented, a situation emerged in some rural areas in which "public buildings were pulled down to share out the bricks and machines were dismantled to sell the parts as scrap iron." As a result, a debate over "whether the policy was very good or very bad" arose in many parts of the country. As a matter of fact, those who said that the policy was "very bad" only paid attention to some bad aspects (which should not be overlooked, of course) to the neglect of the essential and major aspect. If we followed their way of thinking in our reforms, would it have been possible for us to have made such significant achievements? Would it have been possible for the present excellent situation to have emerged?

Reforms are the only way to invigorate the Chinese nation. They are a major matter involving China's future and destiny, and are the common cause of the Chinese people. We should have a correct and profound understanding of the significance of the reforms, should have the sense of being masters of the reforms, should concern ourselves with the reforms, and should take an active part in them. No one should stay away from the reforms. Those who assume a negative attitude toward difficulties and problems in the reforms and even gloss over them will in fact put themselves on the opposite side of the reforms.

Yu Qiuli, Chen Pixian at Funeral Service
OW291335 Beijing XINHUA Domestic Service
in Chinese 1227 GMT 28 Sep 87

[Excerpts] Beijing, 28 Sep (XINHUA)—Comrade Zhang Zhi, former vice minister of communications and member of the party group of the Communications Ministry, died of illness in Beijing on 9 September 1987. A ceremony to pay last respects to Comrade Zheng Zhi was held at the auditorium of the Babaoshan Cemetery of Revolutionaries in Beijing today. [passage omitted]

Yu Qiuli, Chen Pixian, Qian Yongchang, and Lu Peijian were among those present at the ceremony.

Zhang Aiping Marks National Day at Laoshan
OW011554 Beijing XINHUA in English 1534 GMT
1 Oct 87

[Text] Laoshan frontline, October 1 (XINHUA)—Chinese State Councillor and Defence Minister Zhang Aiping joined officers and men at the Laoshan frontline on the Sino-Vietnamese border in celebrating the National Day.

He climbed the Laoshan Mountain and had a talk in fortifications with representatives of the defence army there, inquiring about their life and military affairs, and then had a picnic with them.

On behalf of the State Council and the Central Military Commission, the highest military authorities, Zhang congratulated the troops on their exploits in defending the motherland and expressed thanks to people of various nationalities near the borders for their support to the Army.

He recommended the "Laoshan spirit" — symbol of selfless devotion and hard-work. "Without such a spirit is it impossible for us to win victories in fighting and in pushing forward the revolutionary cause," he said.

He wrote "long live the Laoshan spirit" and "carry forward the glorious tradition and guard the frontier".

Zhang and his entourage laid a wreath at Malipo Martyrs' Cemetery.

Commentator Urges National Defense Education
HK010143 Beijing JIEFANGJUN BAO in Chinese
22 Sep 87 p 1

[Commentator's article: "National Defense Is Indispensable to a Country"]

[Text] It is a strategic question to enhance the sense of national defense and strengthen national defense building. The experience of Sichuan Province in today's report is of great significance.

What is meant by a sense of national defense? Generally speaking, it means the sense of enhancing national defense and dedicating to national defense. Both history and reality have taught us that enhancing national defense and dedicating to national defense are absolutely necessary when the danger of war is not totally eliminated. In the century or so since the Opium War, the Chinese people, who suffered from domestic trouble and foreign invasion, had always looked forward to putting an end to the national tragedy of a defenseless state which allowed itself to be trampled upon. The founding of the PRC made the dream come true. Under the leadership of the party, the unprecedented might of the People's Armed Forces and the continuous development of modernization of national defense have become the important factors in enabling China to stand on its own feet in the family of nations and promote world peace and development. Modern Chinese history shows that the people will feel uneasy without an army and national defense is indispensable to a country. Without a powerful national defense, there will be no prosperity of the country, happiness of the people, and revitalization of the nation.

China's effort made to shift its focus onto economic construction does not mean that national defense building is no longer important. In this regard, it is necessary to clearly understand the relations between a prosperous country and a powerful army. Without prosperity of the country, it will be impossible for its army to be powerful. Without a powerful army, a country will be deprived of the important factors to ensure its prosperity. Only by establishing a powerful national defense based on vigorous economic development can we build a modern, powerful socialist country. In the world today, the force of peace is growing. Although a large-scale war may not erupt within the next 10 to 20 years, the danger of war still exists. Partial wars and sudden events have never ceased. China's border regions have also not been tranquil. In view of such state of affairs, we cannot in the slightest degree weaken national defense. We should constantly enhance our sense of national defense, make use of the relatively stable international environment to strengthen the building of national defense focused on modernization, and prepare against wars and for all contingencies.

Not all comrades have understood this truth. Even some comrades within the Army have not acquired a proper sense of national defense. Why have the officers and men not worked contentedly in the Army? Why are they occupied with the idea that it is not worth serving in military service? Why do they lack the sense of honor and responsibility of a serviceman? The reasons are complicated. Some are due to practical problems and some to giving much thought to personal gain or loss. Indeed, some comrades did not have a keen sense of national defense. They failed to acquire a correct understanding of the relations between the building of national defense and the destiny of the motherland and themselves, and lacked the awareness in dedicating to

national defense. To solve this question, it is necessary to strengthen education in national defense. The discussions on "gains and losses" and "being an official or starting a career," the education in enlistment of new recruits and demobilization of old soldiers, and the education in professional ethics of servicemen carried out in the past included education in national defense and produced positive results. In the days to come, we should regard national defense education as a component of political education, adopt various forms, and seize every opportunity to do well the job in a down-to-earth manner.

A strong sense of national defense is the political quality every citizen, and servicemen in particular, should have. Apart from strengthening national defense education in the Army, we must also help the localities conduct the work well. With the increase of the sense of national defense of all people, the local governments and people will definitely concern themselves with and support the building of national defense. The officers and men of the Army will also consciously dedicate themselves to national defense undertaking.

Daily on Tax, Finance, Price Inspection
HK021312 Beijing *RENMIN RIBAO* in Chinese
2 Oct 87 p 1

[Commentator's article: "Conscientiously Do a Good Job in This Year's Great Tax, Finance, and Price Inspection"]

[Text] In a recent "Circular" the State Council called for the continued launching of a nationwide great taxation, finance, and price inspection this year. This is an important measure for pushing forward the in-depth development of the "double increase and double reduction" campaign and ensuring the smooth progress of the economic reform. It is absolutely necessary to ensure its success.

The fundamental purpose of launching a great inspection of taxation, finance, and prices is to enforce the state financial discipline, to investigate and deal with various illegal activities, and to create a fine socioeconomic environment for reform and construction. Therefore, to make a success of this year's great inspection of taxation, finance, and prices it is necessary to conscientiously carry out the following tasks:

First, it is necessary to serve the reform so as to promote its sound development. We should not only protect the reform initiative of enterprises and units and safeguard their legitimate rights and interests but also urge them to strictly enforce the state laws, decrees, and financial discipline and act according to policies. The state decrees on granting powers to enterprises and units must be resolutely implemented and promptly executed. These powers should not be subject to infringement. We should conscientiously inspect and seriously deal with those enterprises and units that are engaged in various illegal

activities. On no account should we be indulgent toward, or yield to them, and still less should we plead mercy for them or shield their mistakes. If we fail to do so, far from supporting and promoting reform, we will be harming and undermining it. It is wrong not to inspect illegal activities; it is also wrong to inspect them without dealing with them. Failing to inspect illegal activities is a manifestation of being irresponsible to the interests of the state and the people; inspecting illegal activities without dealing with them is a manifestation of bureaucratism and a reflection of weak and incompetent ideas.

Second, it is necessary to carry out ideological mobilization work meticulously. It will take a great deal of energy and time to carry out the work of inspecting taxation, finance, and prices and, therefore, it is understandable that some problems in ideological understanding will emerge. However, given the new situation of reform, opening up, and invigorating the economy, some units and individuals will always proceed from the private gain of small groups or individuals and engage in illegal activities by exploiting the loopholes in the "incomplete reform" and "imperfect legal system." Moreover, with the continued deepening of the reform, there is a greater variety of illegal activities, making it all the more necessary to inspect and supervise them. If we do not want to take the trouble to make an inspection and let the illegal activities happen and develop, the interests of the state will be infringed upon, the reform will be affected, the stable economic development will be obstructed, and it will be difficult for the general mood of society to take a turn for the better. Therefore, it is very necessary to penetratingly and meticulously carry out ideological mobilization among the vast numbers of cadres, workers, and staff members in order to overcome weariness, to remove ideological obstructions, and to unify all the people's ideas along the guideline of the "Circular" of the State Council.

Third, it is necessary to concentrate on doing inspection work well in key trades, key enterprises, and key problems. As the leading force in the national economy, state enterprises should play a backbone role in observing the state's financial discipline, keeping down market prices, and stabilizing economic development. However, since the beginning of this year, taking advantage of their favorable conditions or monopoly status, some state enterprises have taken the lead in forcing up commodity prices and rushing for goods and materials in short supply. They disrupt the market and delve in illegal operations in a big way to seek illegal income. This is impermissible. In the course of the inspection, we should not only find their illegal activities and collect the money which should have been collected but, more importantly, urge them to strengthen management, improve work, become models in observing discipline and abiding by the law, and play a great role in socioeconomic life.

Fourth, it is necessary to place the great work of inspection in an important position. The key to the success or failure of the great inspection work lies in the leadership.

Experience has proved that in the localities, departments, and units where the leaders attach importance to it, the great inspection of taxation, finance, and prices has been carried vividly and impressively and with outstanding results. The inspection tasks this year are heavier and higher demands have been set for them. The leaders of all localities and departments, particularly at the level of provinces, autonomous regions, municipalities, and central departments, must regard the great inspection work as an important measure for stabilizing the economy and promoting the reform, and place it on the important agenda of the government. They should grasp this year's great inspection work with the attitude of opposing bureaucratism. We are sure that, so long as the leaders at all levels attach importance to the work and so long as all quarters energetically support it, the work of inspecting taxation, finance, and prices will certainly be conducted better this year than in previous ones.

HONGQI on Importance of Stabilizing Prices
HK301216 Hong Kong ZHONGGUO XINWEN SHE
in Chinese 1154 GMT 29 Sep 87

[Report: "HONGQI Points Out That the Stabilization of Commodity Prices Is a Task of Top Priority in all the Economic Work"]

[Text] Beijing, 29 Sep (ZHONGGUO XINWEN SHE)—*Hongqi* No 19, which will be published on 1 October, will carry a forum article that says that maintaining the basic stabilization of market commodity prices is a necessary condition for speeding up reform and for guaranteeing stable economic development, and that this is a task of top priority in all the economic work and great importance must be attached to it.

This article states that this year's economic situation is, on the whole, good. The current salient issue is unstable commodity prices and the relatively big increase in the prices of many means of production and consumer goods. This situation is disadvantageous to healthy economic development and to the stabilization and improvement of the people's livelihood. If market commodity prices are not basically stabilized, the reform of the economic structure will meet very great difficulties. In addition, not only will it be difficult to carry out the measures for reforming prices but it will also be difficult to implement the contract responsibility system for the operation of enterprises smoothly. To control demand, to stabilize commodity prices, and to maintain balanced and stable economic development is, therefore, a major problem that has a bearing on the overall situation.

The article says that the key to stabilizing commodity prices and the economy lies in maintaining, for the most part, the balance of the social aggregate demand and gross supply and in building this balance on the foundation of the rational structure. This year, the state has not adopted measures for readjusting prices, and the relatively big increase in commodity prices has been mainly

caused by the spontaneous increase in the market prices of grain and some raw materials. Although there are many reasons, basically speaking, the social aggregate demand has exceeded the gross supply.

The article points out that to stabilize commodity prices and the economy, it is necessary to adopt the policy of squeeze this year and next in the credit and financial areas. Generally speaking, the problem now occurring is not the excessively small amount of money supply but the excessively large amount of money supply, which has encouraged the increased social demand and led to unstable commodity prices. Only by controlling the money supply in the two areas of credit and finance can we restrain the already expanded demands on investment and consumption and basically get rid of and prevent inflation.

Article Stresses Stabilizing Prices
HK301142 Beijing JINGJI RIBAO in Chinese
22 Sep 87 p 1

[("Today forum" column: "The Key Lies in Stabilizing Commodity Prices")]

[Text] A salient issue in the current economic work is unstable commodity prices and the emergence of a relatively big increase in the prices of the means of production and the means of consumption. This situation has affected the improvement of the urban and rural people's standard of living, made the operation of enterprises by contract meet with relatively great difficulties, and made it hard to formulate and carry out many measures for reform. The stabilization of commodity prices has, therefore, become a key task in the economic work for the fourth quarter of this year as well as for next year.

The fundamental reason for the increase in commodity prices is that the demands on social investment and consumption have expanded and the social aggregate demand surpassed the social gross supply. This situation has occurred and is the result of accumulation for several consecutive years, and this year it is more noticeable.

To maintain stable commodity prices, this year and next we must adopt the squeezed financial money policies, and at the same time make efforts to increase production and income and to improve the gross social supply. In view of this, it is essential to adopt six policies to attain six targets:

The issuance of money must be controlled and all kinds of loans restricted relatively greatly; financial deficits must be reduced, and not with overdrafts from banks but by relying on the issuance of national bonds; the retail price index must be resolutely kept below 60; exports must be expanded and foreign exchange reserves increased; the speed of the increase in industrial and agricultural production must be suitably maintained; the increase in the peasants' income must be based on the

development of production, but not affected by relying on increasing the prices of agricultural products; and the speed of the increase in the workers' actual wages and income must not be higher than that of the increase in labor productivity.

It is imperative to rely on the unified understanding and unified action of the whole party and all the people throughout the country to realize these six targets. If we can spend 2 to 3 years' time to stabilize the market retail commodity prices and end inflation, we can create an economic environment of balanced and stable development.

Commentator on Increasing Peasants' Incomes
HK020255 Beijing *RENMIN RIBAO* in Chinese
28 Sep 87 p 1

[Commentator's article: "If Each Peasant Increases his Income by 10 Yuan ..."]

[Text] There is a large population in our country, especially a large peasant population. This is a fact known to all. However, one other point must not be neglected. That is, whether peasants' incomes are increased fast or slowly is a matter which has a bearing on the overall situation of the national economy.

For a household, especially an urban household, 10 yuan may be just a small amount of money, which can be used merely to buy a fish or several eggs. However, if 10 yuan is multiplied by 800 million, the figure becomes stupendous. If each peasant increases his income by 10 yuan, the total peasant population will increase its income by 8 billion yuan! This amount is equal to the annual increase in our state revenue, and is far greater than the increase in the state's agricultural investment over a number of years. If 8 billion yuan were used to develop rural enterprises, tens of thousands of factories would be set up; if the money were used for farmland capital construction, the condition of millions of hectares of farmland would be transformed; if it were used to buy farm machinery, mechanization could be realized for the farming of millions of hectares of farm land; and if the money were used to buy consumer goods, the market would be greatly enlivened and light industrial production would be stimulated, thus giving great impetus to the entire economy!

Reform practice in the past few years has proved, and future reform practice will continue to prove, that an increase in peasants' incomes is absolutely not an insignificant thing; rather, it has a bearing on the overall economic situation in both countryside and cities. Only by helping the peasants continuously increase their incomes can we ensure that their livelihood will be gradually improved and that they will be able to increase investment in agriculture and develop more factories and shops, thus making all trades in the countryside flourish. Only thus can the purchasing power of the peasants be continuously increased and the demand for

industrial goods be continuously increased. Therefore, we must firmly establish this idea: When guiding the rural economy, we must always remember the need to help the peasants increase their new sources of income; otherwise, we will achieve nothing in our work.

The reforms over the past 8 years have enabled the peasants in our country to substantially increase their incomes. During the period of the Sixth 5-Year Plan, the per capita annual income of the peasants increased by more than 100 percent, from 191 yuan to 397 yuan, and the figure increased to 424 yuan last year. In the first half of this year, per capita cash income again increased by 18 yuan over the same period last year. Such growth should not be regarded as slow. However, because the base was too low, the present income level of the peasants in our country remains far lower than that of the urban residents. Rural residents in general have not yet achieved a well-off standard of living. We must try by every possible means to increase peasants' incomes as much as possible and to lay a more solid foundation for the rural economy. Through unremitting efforts over a long time, we will stride forward toward the goal of the modernization of the rural economy. We must soberly recognize this point, and should not overestimate the income level of the peasants and form a false impression of the general wealth in the countryside, in which there is no problem.

It must be particularly pointed out here that as the rural and urban reforms develop in depth and more difficulties appear, some comrades are again beginning to take measures which will harm the interests of the peasants. Some departments and units have unreasonably raised the prices of some farm production materials in order to seek more benefit for themselves at the expense of the peasants' interests. Some comrades have called for the restoration of the old method of strict control over the purchase of farm products, trying to force the peasants to do farm work at a loss. Some localities have developed various undertakings in a big way without regard to their financial capacity. They raise funds by imposing various levies on the peasants, thus placing more burdens on the peasants. All such problems which affect the increase in the peasants' incomes must be seriously solved. In order to guarantee the steady increase in peasants' incomes we must, on the one hand, continue to pursue the policy of allowing the peasants to recuperate economically by giving more to the countryside and taking less from the countryside so that the peasants can accumulate the strength for self-development in a relaxed environment; on the other hand, we should actively help and guide the peasants to further adjust the production structure, greatly develop the commodity economy, quicken the development and utilization of various rural resources, and open up more new employment opportunities and sources of income. Only when the peasants can increase their incomes quite rapidly can the national economy develop at a higher speed.

We hope that all comrades who are concerned with reform and modernization will really give consideration to the issue of increasing the income of the peasants by

thinking about the great effect of an increase of 10 yuan in the income of each peasant, and never neglect this important issue that has a bearing on the overall situation.

Commentator Urges Smashing 'Big Pot'
HK020415 Beijing RENMIN RIBAO in Chinese
27 Sep 87 p 2

[Commentator's article: "Make Further Efforts To Abandon the Practice of Eating From the Same 'Big Pot'"]

[Text] To readjust the distribution relations within enterprises constitutes the key link in arousing the enthusiasm of the workers and invigorating enterprises, as well as an important aspect of perfecting the enterprise operation mechanism. Jilin Glassworks absorbed the strong points of the contract system and changed the piece rate wage system, which distributed income merely according to output, into a system which linked wages with output, profits, quality, consumption, and safety. This further perfected the piece rate wage system and truly manifested the principle of distribution according to the practical achievements of labor. The fruitful explorations of the glassworks deserve affirmation.

In the course of deepening economic reform, many enterprise operators have attached great importance to readjusting the distribution relations within enterprises and have explored some effective distribution forms such as the wage system for relevant posts, the internal structural wage system, the floating wage system, the system of workshops (groups) contracting the total amount of wages, the piece rate wage system, and the system of linking the bonuses of office staff with their responsibility and performance. Linking distribution with economic responsibility and not eating from the "big pot" are the common characteristics of these forms. These forms played a positive role in arousing the initiative and enthusiasm of the workers and in increasing labor productivity and attaining better economic returns. However, the principle of more pay for more work has not yet been manifested, and the practices of eating from the "big pot" and egalitarianism are still prevailing within enterprises. They are indicated in the failure to separate "distribution on the basis of fixed quotas" from "distribution based on exceeding quotas," less "flexible" distribution, and more "fixed" distribution. The "flexible" distribution of many enterprises has been limited merely to bonuses, which did not even touch the old wage system based on grades. As far as an enterprise is concerned, usually payment for the workers at the first line is properly handled, and the assessment method is relatively perfect, while there is a lack of method in payment for the workers at the second and third line and the methods of assessment are inflexible and a mere formality. Some enterprises regard it as troublesome, and simply decide on bonuses in light of their impressions, rather than assessment. Owing to

these problems, although some enterprises have issued a lot of bonuses, they have failed to increase labor productivity and to attain correspondingly better economic returns.

To do a good job of distribution within enterprises is an extremely difficult job which permits no carelessness. It is closely related to policies, the masses, and the vital interests of the workers. Viewed from the actual situation of some enterprises, the main obstacle to the progress of the reform of the distribution system lies in the leaders' outdated distribution concepts and the mental state of "not taking the lead." Some comrades dare not widen income disparity and reward those who are advanced and diligent while punishing those who are backward and lazy. Some comrades hold that "wages are paid for food, while bonuses are paid for the work done." Some even regard the "big pot" and "preferences" as the superiority of socialism. Moreover, some enterprises seek steadiness in operation and are afraid of unrest. They fear that the reform of the old wage system based on grades will lead to turbulence and undermine the order of normal production. Hence, they take a wait-and-see attitude, each trying to stay behind the other.

Reform requires exploration, courage, blazing new trails, and the spirit of "being the first to eat crab." To promote reform, it is worthwhile to take some risks. In fact, the enterprises that have carried out contracted operation, leased operation, assets operation, or the joint stock system can independently decide on the forms and variety of their wages within the total amount of wages and within the policies prescribed by the state. Moreover, there are some effective distribution methods all over the country that truly manifest distribution according to work. These methods can be used for reference. For example, the system of linking wages with five other factors, implemented by the Jilin Glassworks, broke the bounds of fixed wages and bonuses. The glassworks calculated remuneration according to the labor achievements of the workers, which truly manifested the socialist distribution principle of more pay for more work, less pay for less work, and no pay for no work. The system did not undermine the order of normal production or lead to social turbulence. Rather it helped the enterprise strengthen basic work, promote scientific management, and increase efficiency, thanks to the implementation of the system which linked wages with five other factors and which required reasonable quotas, complete standards, accurate measurement, original records, and strict economic accounting. Naturally, this method may not be suitable for all enterprises. We hope that the enterprises, workshops, and groups that have heavy production tasks and that have maintained a balance of production, supply, and marketing, that manufacture a few varieties of products, and that practice independent accounting will first try this piece rate wage system. If the conditions are not yet ripe, the localities should do their best to create the conditions.

To do a good job of distribution within enterprises constitutes an important aspect of deepening enterprise

reform. It is imperative that this be done, and the sooner the better. In this regard, leaders of enterprises should not hesitate any longer. They should bestir themselves and make a clean break with egalitarianism and the "big pot." Only this can be advantageous to the development of the productive forces, to increasing state revenue, to the invigoration of enterprises, and to the improvement of workers' living standards.

Daily Discusses Managing Leased Enterprises
HK011334 Beijing JINGJI RIBAO in Chinese
23 Sep 87 p 1

[Commentator's article: "Business Management on Lease Needs To Be Further Deepened"]

[Text] To some managers, workers, and staff members of small commercial enterprises, business management on lease is no longer an abstract, strange concept but is a kind of concrete, real managerial mechanism. An investigation of the conditions of small commercial enterprises throughout the country managed on lease shows: Due to its role in rather thoroughly separating ownership from managerial authority, in closely linking the rights and obligations of enterprises, in further smoothing the relations between an enterprise and the state and between an enterprise and its staff and workers, in affecting the decisions made by the enterprise managers, and in changing the form of distribution in an enterprise, this new type of managerial mechanism, born in the course of reform, has already shown its great vitality and broad prospects and has gained understanding and support from more and more enterprise leaders, workers, and staff members.

However, business management on lease is a new thing recently born in the course of reform. Because of the effects of the old economic system, the friction between the new and old economic systems, and the defects of this managerial mechanism, some enterprises have encountered problems of one sort or another shortly after they begin management on lease. Questions, such as the short-term behavior of an enterprise, the role of the workers and staff members as master of the enterprise, the protection of the consumers' rights and, as a result of irrational distribution, the inflation of consumption funds and the widening disparity in income, have attracted extensive concern and are widely discussed.

Concern and discussion are good things, not bad things. They reflect people's concern over reform and their wish for further improvement of business management on lease. For this reason, we should not cast doubt on reform and let our confidence in business management on lease waver. Instead, we should have firm confidence and persistently deepen business management on lease, which is a reform of enterprises.

Here, "deepening" comprises at least two aspects: First, enterprises which are already leased should sum up their experience, draw lessons, increase their ability to stimulate and restrain themselves and, on the basis of enhancement of this ability, increase their ability to seek expansion and improvement. Second, enterprises which are ready to be leased should widen their scope of vision, conduct intensive investigations and, through comparison with other enterprises, strive to formulate more scientific, reasonable methods regarding the selection of lessees, the term of lease, the amount of rent, the change in the form of business management, the adoption of rules and regulations, and the strengthening of legal protection, so that they may stride forward firmly and steadily.

Many things have yet to be done to deepen the management of enterprises on lease. At present, the most fundamental thing is to step up the study of our experiences (including lessons) which we have gained from the lease of enterprise management. To the enterprises which are already leased, this means "gaining new insights through restudying old material"; to those which are to be leased, it means "providing against possible trouble." This also is the reason why our newspaper and the Beijing Commercial Management Cadres College under the Ministry of Commerce are jointly holding a "seminar on the theory and practice of lease of commercial enterprises."

Beijing Daily on Rationalizing Industry
HK020449 Beijing RENMIN RIBAO in Chinese
26 Sep 87 p 2

[Article by RENMIN RIBAO reporter Lu Mu (7627 3668): "Pay Attention to Rationalizing the Industrial Setup—Commenting on Investment Conditions for Enterprises' Technological Transformation"]

[Text] Over the past 8 years, the various regions and departments in our country have laid stress on carrying out technological transformation in our country's existing enterprises. According to statistics, investment in technological transformation in existing enterprises has increased yearly over the past 8 years as a proportion of our country's total fixed asset investment. Last year, the actual amount of investment in enterprise technological transformation in our country reached 60.1 billion yuan, an increase of 33.6 percent over the previous year. Last year, the various regions and departments mainly invested in the technological transformation of the light, textile, machinery, electronics, and raw material industries, as well as the energy industry. Over the past few years, the technological transformation of the transport industry has to a large extent, rationalized our country's industrial setup. However, some irrational phenomena still exist and as far as the present situation is concerned, our country's industrial setup has the following major problems:

In the processing industry, the investment in the technological transformation of the general processing industry has increased too rapidly. As a result the production capability of the general processing industry has been in excess of the actual demand. Moreover, the investment in the high-grade processing industry has been too low. Many areas have carried out large production of such "best-selling" products as ordinary lathes, small forging presses, electric fans, cans, radios, ordinary brand radio and cassette players, Western-style clothes, and so on. As a result, production of the above-mentioned "best-selling" products has expanded. However, owing to the lack of raw materials the production of refrigerators, washing machines, man-made fibers, silk, and so on has not been fully developed. At the same time, production in some good-quality and high-grade products with a ready market has been developing very slowly. Moreover, over the past few years our country has relied mainly on imports to meet the domestic demand for certain complete sets of equipment and for machinery and electronic products with advanced functions.

Although investment in technological transformation of the raw materials industry has been increased this has not been enough to meet the actual demand. Since the technology and equipment in many important raw material industrial enterprises have not yet been updated and transformed, the contradiction between supply and demand in steel, nonferrous metals, industrial chemicals, and various other types of raw materials has become increasingly acute, and the quality of the raw material industry products is still rather poor.

The proportion of investment in technological transformation in the energy and transport industries has also been decreased annually over the past few years. For instance, in 1981 the technological transformation investment in the energy industry was 16.7 percent of our country's total fixed assets investment. However, the proportion of technological transformation investment in the energy industry dropped to 11.2 percent in 1985, and then to 9.9 percent in 1986. In 1981, technological transformation investment in the transport industry comprised 13.1 percent of our country's total investment in fixed assets. However, the proportion dropped to 9.4 percent in 1985, and then further to 8.6 percent in 1986.

Moreover, the proportion of investment to expand the enterprises' production capability has been excessively large while investment in improving product quality and reducing unnecessary consumption has been relatively small. During the Sixth 5-Year Plan, 40 percent of investment earmarked for technological transformation was diverted to building and extending enterprises. Last year, 48.5 percent of investment earmarked for technological transformation was again diverted to building and extending enterprises. However, only 10 percent of technological transformation investment was diverted to implement measures aimed at reducing unnecessary consumption. The increasingly small proportion of our

country's total fixed assets investment used for technological transformation significantly slowed down the pace of technological transformation in large- and medium-sized enterprises. During the Seventh 5-Year Plan our country has plans to complete a total of 650 technological transformation projects, and technological transformation investment will account for 20.6 percent of our country's total fixed assets investment during the Seventh 5-Year Plan. Last year our country started only 119 technological transformation projects and investment accounted for 3.8 percent of our country's total fixed assets investment. This situation is obviously detrimental to bringing the role of large- and medium-sized enterprises into full play as the backbone of our country's industry, and to readjusting the organization structures in our country's enterprises.

Over the past few months the relevant comprehensive departments of the state have been organizing efforts and actively making explorations in order to draw up a plan to readjust our country's industrial setup. During the last 3 years of the Seventh 5-Year Plan the readjustment of our country's industrial setup will be centered mainly on building the basic industries, the basic facilities, and the export-oriented and foreign-exchange-earning industries. The investment structure in the technological transformation of enterprises must give priority to rationalizing our country's industrial setup.

During the last 3 years of the Seventh 5-Year Plan, we should make resolute efforts to increase the proportion of technological transformation investment in: the energy industry with stress on electrical power; the raw materials industry with stress on iron and steel; and the transport industry with stress on comprehensive transport and communications. We should properly slow down the pace of technological transformation in the general processing industry, and put the development of production of aluminium windows and doors, ordinary brand sewing machines, electric fans, bicycles, and some other products, including the plastic processing, which lack raw materials, under proper control.

We should also make great efforts to improve the quality of our products, develop new products, save energy and raw materials, and increase the proportion of technological transformation investment in the enterprises concerned. We must pay particular attention to increasing the varieties of products, improving the quality of products, and minimize unnecessary consumption of raw materials when making technological transformation investment in the iron and steel industry. Generally speaking, it is improper for us to indiscriminately expand the production capability of all our enterprises.

Large- and medium-sized enterprises are the mainstays of our national economy because they play an indispensable development role. Therefore, we must first of all carry out technological transformation in our country's large- and medium-sized enterprises. All regions and trades must conscientiously make plans to successfully

execute the technological transformation of the large- and medium-sized enterprises. They should first of all make efforts to meet the actual needs of completing the above-quota technological transformation projects stipulated in the state plan, so as to practically speed up the technological transformation of the large- and medium-sized enterprises and the completion of the above-quota technological transformation projects stipulated in the state plan.

Economic Balance, Steady Growth Urged
OW301114 Beijing XINHUA in English 0747 GMT
30 Sep 87

[Text] Beijing, September 30 (XINHUA)—Price stability is the most important task for China to maintain economic balance and steady development next year, the "Economic Daily" said today in a commentary.

The commentary said that crucial to the task was expanding production to ensure supplies, particularly supplies of food, textiles and light industrial goods.

It called for administrative and economic steps to speed up construction of key projects in energy, transportation and raw materials, while halting construction of non-productive projects, especially hotels.

This will help reduce the country's over-extended investment in fixed assets and readjust the structure of investment, the paper said. It will also raise returns on investment and ensure priority projects.

The commentary described tightening control over financial affairs, credits and loans as a "most fundamental measure" to stabilize prices and maintain China's economic balance and steady growth in 1988.

It stressed continuing the nationwide drive to increase production, practise economies, increase revenues and reduce expenditures.

The country's industrial production has risen steadily since the beginning of the year with growths recorded in both light and heavy industries. Economic efficiency has improved nationwide and outputs of grain, cotton and oil-bearing crops are up this year over last.

"These are favorable conditions for China's economic balance and steady development in 1988," it said.

Famous Economist on Socialist Theories
HK010651 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 37, 14 Sep 87 pp 6-7

[Article by Lin Chen (2651 2525) and Lu Zhongyun (4151 0112 0061): "Enrich and Develop Socialist Theories in the Course of Reform—an Interview With Noted Economist Liu Guoguang"—boldface as published]

[Text] How to understand the present stage of socialism in China is a "hot point" in current discussions. A few days ago, we specially visited noted economist Liu Guoguang, vice president of the China Academy of Social Sciences, and discussed this question with him.

In his office Liu Guoguang expressed his views on the question in line with the practice of our economic reform.

He pointed out: Today there are two things that have to be opposed. One is bourgeois liberalization and the other is ossified ideas. Ossified ideas are major barriers to the policies of reform and opening up, in particular those fossilized and one-sided views on socialism. But such views are very popular among the people and if they are not corrected they will inevitably hinder the progress of reform and opening up.

In Understanding Socialism, Ossified Ideas Are Mainly Reflected in Two Aspects: One Is by Attaching to Socialism That Which Is Not Socialist; the Other Is by Alleging That Things Which Are Not Possessed Solely by Capitalism Are Exclusively Capitalist [subhead]

What things are attached to socialism? Liu Guoguang made a concrete analysis of them as follows:

—Public ownership is one of the most clear-cut features of socialism. However, in the past we saw the question in an ossified way. We believed that socialist ownership should be very large in size and extremely collective and pure in nature, and that ownership by the whole people is the only system of socialist ownership. As a matter of fact our country is still in the initial stage of socialism and the level of our productive forces is far lower than that in developed nations. It is therefore impossible to create mature socialist production relations. Under such circumstances it is unrealistic to establish a system of ownership which is large in size and collective and pure in nature. In the initial stage of socialism we must take public ownership as the main body while allowing the coexistence of various forms of ownership and management systems.

—The relationship between ownership and the power of operation. According to conventional ideas, public ownership must integrate ownership with the power of operation, and the two cannot be separated. In the 1960's, when economist Sun Yefang was criticized for his proposition to delegate more decisionmaking power to enterprises, one of the major grounds of argument was that separating ownership from the power of operation was of a capitalist nature. As a result, Sun Yefang's correct proposition was termed as advocating capitalism.

—The question relating to planning and market mechanism. In the past we believed that public ownership was based only on the planned economy, not the commodity economy. Even if the market mechanism did play a small role it was almost negligible. We also held that the more planning there was, the purer the socialism. We believed that mandatory planning was the only mark of the planned economy, and that the more mandatory planning, the higher the centralization and the purer the socialism. In this connection it seemed that unified

distribution and allocation, thorough mandatory planning, and centralized management were unalterable principles governing socialist economic management. In fact this is also a misunderstanding of socialism.

The pattern of our planned economy was by and large a copy of the Soviet Union's, but the high concentration of the Soviet planned economy was formed to meet the needs of war at that time. When besieged by imperialists, the Soviet Union was forced to carry out economic construction by strengthening centralized and unified leadership for war preparations.

During the initial post-liberation period we were in the same circumstances. It was therefore necessary to stress mandatory planning, high centralization, and unified allocation and distribution. However, this is not inherent in the socialist system. In peacetime it is not necessary to adopt the methods applied in the days of war.

Socialist economy should therefore link centralization with decentralization, and planning to market regulation.

Does capitalist economy have any planning then? It has a little but the method is different. For example, Britain, the United States, and Australia all exercise macroeconomic control over the market through economic means including financial and monetary policies. Some capitalist countries map out plans but they do not practice a planned economy. Some Japanese economists have pointed out: The planned economy China is practicing is a real one but what Japan does is only economic planning. This is determined by different systems of ownership.

Of course, this does not mean that the planned economy is something attached to socialism. It means that to practice the planned economy through high centralization, compulsory administrative, and mandatory planning is not the original meaning of the planned economy. The planned economy we are talking about is different from the aforementioned planned economy in meaning. What we are practicing is the planned commodity economy. This means planning is only reflected in macroeconomic guidance and overall control, and gives guidance to the direction of economic development and change in the economic structure. However the guidance is given not through compulsory administrative means but through various kinds of economic levers such as market regulation, pricing, profits, and taxation.

With regard to the market, its meaning is also different from our previous understanding. In the past we denied the role of market regulation. There were more or less markets in socialist countries, but the "forgotten corners" could not play their role of regulation.

Now the meaning of the market has been greatly enriched. Aside from the market of the means of production, the markets of many production factors such as

funds, labor service, technology, and estates which were not regarded as commodities have also emerged, and their scale is also expanding. It has become obvious that if these markets of production factors had not appeared there would have been no meaning behind delegating decisionmaking power to enterprises.

—The question of distribution. In the past, we thought socialist society was one marked by fairness and equality. This is no doubt correct. However, we must recognize that this is only an ideal. If we equate socialist equality with egalitarianism, then we are wrong.

The small peasant economic ideas are deeply rooted in our country and the influence of the idea of "sharing the wealth of the rich with the poor" which was widely advocated by the past peasant uprisings, overwhelmed the sense of egalitarianism among the people. They believed that equality meant egalitarianism, the practice of "everyone eating from the same big pot," and socialism. Such a view is most stubborn and harmful one among all those that have been attached to socialism.

In fact, the equality Marxism advocates refers to equality for everyone in regard to work. Socialism is consistent with disparity and the principle of distribution according to work also reflects disparity. Acknowledgement of this principle means acceptance that labor incomes differ. Meanwhile, a certain number of people must be allowed to attain prosperity before others by appropriate means such as wages and profits from trading. However, the principle of distribution according to work must be taken as the main body.

To do away with the sense of "everyone eating from the same big pot" which was attached to socialism, two major problems have to be tackled. The first is egalitarianism in distribution. Today, bonuses in many enterprises are no longer encouraging people and have become "deteriorated," and many enterprises are vying with one another in issuing bonuses. This is one of the major reasons making it difficult to control the increase in consumption funds and prices. Moreover, if the sense of egalitarianism is not conquered it is difficult to encourage some to attain prosperity before others. The second problem is unfairness in income. More work may not result in more pay. Some people engage actively in speculation and their incomes are much more than others. This is quite unfair. The effort we are making to straighten out markets is aimed precisely at dealing with this problem. However, we must also understand that such a phenomenon can hardly be avoided because market control and macroeconomic control will remain weak while our country's commodity economy is not well developed.

Another problem is that we should not allege that things not possessed solely by capitalism are exclusively capitalist. To this point, Liu Guoguang said, the following apply:

—The commodity economy is not "patented" to capitalism, but in the past we virtually equated it with capitalism.

We have now come to realize that as long as there is social division of labor and there are differences in interests, commodity exchange is unavoidable. The commodity economy has derived from the simple commodity exchange started between two primitive hordes over 2,000 years ago. The commodity economy is neither of a capitalist nature nor of the nature of private ownership because it started from primitive communist society. Since socialist society has both social division of labor and difference in interests, it naturally has the commodity economy.

—Large-scale socialized production does not belong exclusively to capitalism. Therefore, some economic phenomena exhibited by large-scale production should not be regarded as capitalist. For example, the money market, technology market and markets of other production factors as well as bonds, shares, contracting, and leasing are all products of commodity economy and socialized production. Due to ossified ideas, in the past we mistakenly took them as foreign things.

—In distribution, we often took nonlabor income as exploitation in the past and thought that capitalist things should in no way be tolerated in a socialist society. This is also a lopsided view. Good enterprise management brings good pay for entrepreneurs because they engage in complex labor. Proper risk income and opportunity income from competition cannot be regarded as labor income but should be allowed to exist so as to encourage the growth of many socialist entrepreneurs. In addition, income from interest on bank savings, bonds, and dividend yield are all helpful to the accumulation of funds and the development of productive forces. As we allow the existence of various forms of ownership in the initial stage of socialism, we must also allow the existence of different forms of distribution systems by taking distribution according to work as the main body.

Then, how should we judge what really belongs to socialism and what is allowed by socialism? When we put the question to Liu Guoguang, he said:

To Judge Whether Something Belongs to, and Is Allowed by, Socialism We Must First See Whether It Is Helpful to the Development of Productive Forces. [subhead]

Taking the productive forces as the criterion, we should not see things mechanically but should examine them in all-round way by linking them to the relations of production. Socialist policies, theories, and principles must satisfy the needs of developing the social productive forces. If they are not helpful to the development of the social productive forces, they cannot be regarded as

socialist. This must be made clear. Does this mean that all things which facilitate the development of productive forces are socialist? In my opinion, the following must be distinguished:

1. That they are really socialist and adhere to the socialist orientation.
2. That they are possessed by both large-scale socialized production and commodity economy and are useful to both socialism and capitalism.
3. That they really belong to capitalism but benefit the growth of our social productive forces. For example, foreign-funded enterprises, hired labor, and privately-run enterprises are certainly of a capitalist nature, but they can help the development of the socialist productive forces. Being engulfed in the boundless ocean of socialist public ownership, they are unable to change the socialist nature of our economy as a whole. As long as they observe our laws and decrees, we must allow them and encourage their development.
4. Ugly capitalist things. During its primitive accumulation period, capitalism developed by means of swindling, violence, coercion, and plunder, thus turning a large number of laborers into proletarians and "bringing up" a certain number of capitalists. As a result, the productive forces grew rapidly. The "Enclosure Movement" in Britain in the 17th century and the methods of mercilessly exploiting large numbers of child laborers and reaping staggering profits indeed helped the growth of productive forces and accumulation of funds, but socialism never allows the employment of such means to develop its productive forces.

In Conclusion Liu Guoguang Pointed Out That Things Belong to the Commodity Economy and Large-Scale Socialized Production and Some Capitalist Things Useful to Us Can All Be Taken as Things for Us. However We Should in No Way Blindly Copy All Capitalist Things, and "Total Westernization" Gets Nowhere in Our Country. [subhead]

Liu Guoguang said: In accordance with the conditions of socialist public ownership and in line with our country's actual conditions we must use them in a selective way for the purpose of attaining common prosperity. In the past, we unduly stressed the specialities of our country and kept other useful things out. This is no doubt a lopsided view. However we should not go from one extreme to another. In theoretical circles there is now a tendency to over-stress general character and the "bring-all-here" theory. It is true that the commodity economy and large-scale socialized production in both capitalist and socialists societies have many things in common. However, general character always finds expression through specific character. Similarly, the commodity economy and large-scale specialized production manifest themselves differently in different countries and societies. When making use of them we must take the actual

conditions in different countries into account and should not simply "bring all here." The soul of Marxism only makes a concrete analysis of concrete conditions. Concrete conditions mean specific character. Socialist countries are different from capitalist ones, and socialist countries are also different from one another. Therefore, this leads to specialities in developing the commodity economy and large-scale specialized production. This tendency of advocating general character is a bourgeois ideological tendency. I do not think we should try to be in the swim with it.

Hong Kong Paper Examines Socialist Weakness
HK010937 Hong Kong TA KUNG PAO in English
1-6 Oct 87 p 2

[“The Past Week” column]

[Text] Weakness in the socialist sector [subhead]

Having probed rather extensively the tools and methods of capitalism, Chinese planners and theoretical circles have turned round to look at the weaknesses of the prevailing socialist sector of the economy. Taking the bull by horn, recent thrusts concern nothing less than the two most sanctimonious tenets of the socialist system, namely, public ownership and to each according to his work in distribution [passage in boldface as published].

There is no doubt that these probes stem from the recognition that after 70 years of implementation since the founding of the first socialist republic in the world, the theories of public ownership and its accompanying principle of to each according to his work as enunciated by the founders of Marxism have in practice met with various degrees of difficulties and setbacks.

An obvious discrepancy is the recognition by all socialist countries nowadays that the ideals they inherited from Marxist classics is not being effectuated, as originally conceived, in highly developed countries. It is also a fact that the economies of these countries had been placed at a great disadvantage following in the capitalist world since the Second World War.

Furthermore, there is a growing awareness in socialist countries that the concept of commodity production and the power of money are not the exclusive properties of capitalism as originally supposed, but 'inherent' traits of the socialist mechanism.

Public ownership [subhead]

It was supposed by orthodox Marxism that the transfer of private ownership of the means of production to public ownership would stop all avenues to economic powers and position by one's personal wealth and thus pave the way for the acquisition of such powers solely by the input of one's work. It was on this ground that the

founders of Marxism saw the principle of to each according to his work as the only way for a rational distribution of wealth. It was envisaged that the public ownership would lead to a unified use of the means of production by the entire society.

However, according to a lengthy article published in the *People's Daily* on 16 June co-authored by four researchers, the 'unified use of the means of production by the entire society' never happened in the Chinese socialist experience. Instead, the right to use the publicly-owned means of production are invariably and separately vested in state-owned enterprises. And this has been the cause of a host of problems and inconsistencies.

The authors argue that if the use of the means of production in this manner is not linked with the material interests of the user, in other words, if the enterprises are not recognized as relatively independent economic entities, their cost-efficiency is bound to suffer and this consequently will affect the development of productive forces. It is believed that this is one of the root causes of the structural weakness of the prevailing economic system.

If, on the other hand, the economic incentives of the enterprises are taken into account, it would mean that a certain amount of difference in earnings by way unrelated to labour would be generated within the framework of the public ownership. Such differences are the result, first and foremost, of disparities in capital funds, environmental factors, geographical location, marketing, etc.

It can be deduced from these analyses that greater incentives are needed to motivate the enterprises which involves granting greater decision power to them. To put it in simple terms, it also means allowing profit-making state enterprises to retain a greater portion of their earnings in the same way a minority of the population are allowed to get rich first.

It is further recognized that owing to the low level of the commodity economy and the fledgling market mechanism, it is still impossible for the workforce to freely choose their jobs on an equal footing. The disparities in the rewards of labour resulting from unequal opportunities marks another aspect of inconsistencies in the present system of public ownership and implementation of the principle of to each according to his work.

Feudal influence [subhead]

The imperfections of the Chinese socialist system must be seen against the unique background that for more than 2,000 years, the country had been prone to the world's longest feudal domination. The two ideological props of the feudal tradition that have left an indelible mark on the Chinese socio-economic fabric are: one, the patriarchal relations based on bloodlines and, two, the deep-seated subordination to the supreme rights of monarchism.

That these influences are not to be trifled with can be seen from the extent to which the public ownership and the principle to each according to his work have been distorted in the course of their implementation.

In the realm of public ownership, it is now realized that a fatal weakness is the non-separation of government powers and those of the enterprise. Another way of expressing this weakness might be the complete subordination of economic relations to political ones.

Deflected by patriarchal practices as well as egalitarianism, legitimate unevenness in distribution is still a dream for many while longings for equality is not an uncommon sentiment.

The monthly earning of an average Chinese intellectual or a freshly graduated university student, for instance, is still considerably lower than blue collar workers.

All of which conjures up an extremely complex picture of efforts to shore up the failings of public ownership and the exalted principle of to each according to his work in the present stage of the Chinese socialist experience which Chinese leaders and theorists have only recently chosen to call the rudimentary phase of socialism.

In fact, it is on the success of these efforts that what Deng Xiaoping calls 'the attractiveness' of the socialist system will depend.

The past eight years of reform have already produced a bounty of riches as well as effective policies and legislation to push the country forward. We shall see what the 13th CCP Congress to commence on 25 next month has to offer in the way of truly invigorating the socialist sector.

**HONGQI No 19 Table of Contents Carried
HK011238 Beijing RENMIN RIBAO in Chinese
30 Sep 87 p 6**

[Table of Contents for HONGQI No 19, 1987]

[Text] "Forum": "Proceed From the Overall Situation of Stabilizing the Economy and Prices"

Hongqi Contributing Commentator's article: "Earnestly Grasp the Building of the Party Itself"

Article by Xing Chongzhi: "Several Questions Concerning the Strengthening of Party Building"

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Article by Xu Hongwu and Li Jingde: "Marxist Theory on State and the Initial Stage of Socialism in Our Country"

Article by Chen Shuyu: "'Only One Goal: Advance'—Learning From Lu Xun's Reformative Spirit"

Article by Wang Chaowen: "Garden Aesthetics and Building Gardens"

Article compiled by *Hongqi* Theoretical Education Editorial Office: "Expositions on Several Important Views in the Enlarged Edition of 'Building Socialism With Chinese Characteristics': "8. Concerning the Realization of the Motherland's Reunification and Safeguarding World Peace (Part One)"

Article by Huang Da: "Sixth Lecture of Forum on Socialist Commodity Economy: Commodity Economy and Currency Circulation"

Article by Gong Zhicong: "Decline of Yanzhijing and 'Disease of 10 Scenes'"

Article by Geng Ming: "People Who Deserve the Respect of the Whole Society—After Reading 'The 'Third World' of the Railway No 1 Middle School'"

Article by Jing Yuan: "Struggling for Democracy, Being Dedicated to Science—A Brief Introduction to 'Biography of Ma Yin Chu'"

East Region**Anhui Party Secretary Chairs Flood Meeting**
OW300042 Hefei ANHUI RIBAO in Chinese 30 Aug 87 p 1

[Excerpt] Comrade Li Guixian, secretary of the provincial party committee, presided over a meeting of the Standing Committee of the provincial party committee this morning to make emergency arrangements for combating a fifth flood peak in Huai He.

The meeting heard a briefing by the provincial Flood Control Headquarters on overcoming the fourth flood peak in Huai He and how to combat the fifth one. It also heard an analysis by the provincial Meteorological Bureau of the changing weather and its trends over the past few days. [passage omitted]

Fujian's Chen Guangyi Visits Navy Units
OW300124 Fuzhou FUJIAN RIBAO in Chinese 18 Sep 87 p 1

[Text] Chen Guangyi, secretary of the provincial party committee, and Wang Zhaoquo, acting governor of the province, made a special trip to naval units stationed in the province to thank them for helping local people deal with emergencies and providing relief for them during typhoon No 12 and assisting the latter in resuming production.

Wang Zhaoquo spoke highly of the close Army-government and Army-people relations in the province. He said: "I already knew while in Beijing that soldiers and people in Fujian had done a good job in their joint efforts to build a spiritual civilization. From now on, we should further strengthen Army-government and Army-people unity and work together to build the province politically, economically, and culturally and to modernize the PLA units." Political Commissar Li Jingwei and Deputy Commander Gao Yuanfa of the naval units stationed in Fujian briefed the leaders of the province on their units affected by the typhoon and thanked the provincial government and people for supporting and showing concern for the members of the naval units.

Jiangsu Leaders at National Day Gathering
OW011452 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 30 Sep 87

[Excerpt] On the afternoon of 30 September, the Great Hall of the People in Nanjing was filled with a festive atmosphere as the provincial government, the Political Department of the Nanjing Military Region, and the Nanjing City Government jointly held a get-together to celebrate the 38th anniversary of the founding of the People's Republic.

Nearly 3,000 people attended the get-together. They included Jiang Weiqing, Nei Fengzhi, Du Ping, and Xiao Wangdong, members of the Central Advisory Commission; Zhan Danan, member of the Central Discipline

Inspection Commission; leading comrades of Jiangsu Province and Nanjing City Han Peixin, Gu Xulian, Sun Han, Chen Huanyou, Sun Jiazheng, Hu Fuming, Gu Hao, Zhou Ze, He Binghao, Wang Bingshi, Li Zhizhong, Ling Qihong, Yang Yongyi, Zhang Xuwu, Li Shouzhang, Wu Xijun, Luo Yunlai, Deng Haoming, Zuo Ai, Liu Xinghan, Zhang Yaohua, (Gao Shenghua), Liu Ping, Xu Zhi, and (Zhou Zuogan); leading comrades of the Nanjing Military Region and its Air Force, the Jiangsu Military District, and military schools in Nanjing Xiang Shouzhi, Fu Kuiqing, Zhang Ming, Liu Lunxian, Yu Yongbo, (Zhao Zhao), Yuan Jun, (Zhang Mingyuan), (Qian Zhenghuan), (Xu Zhiping), Zhen Shen, Yue Dewang, (Zhang Chao), (Zhang Zhenxian), (Qian Shihu), and (Zhou Kesheng); Zhou Aqing, alternate member of the CPC Central Committee; and veteran comrades holding second-line and third-line posts, people of all walks of life, model workers, commanders, fighters, and combat heroes of PLA units in Nanjing. [passage omitted]

Jiangxi CPPCC Committee Meeting Ends
OW291139 Nanchang Jiangxi Provincial Service in Mandarin

[Excerpts] The 22d meeting of the Standing Committee of the 4th provincial CPPCC Committee ended in Nanchang this morning. It was presided over by Liu Jianhua, vice chairman of the provincial CPPCC Committee, Wu Ping, chairman of the provincial CPPCC Committee; Lu Xiaoping, Shen Hanqing, Lu Liang, Li Shanyuan, Wu Tiyu, Jin Liqing, and Wu Yunzhong, vice chairmen of the provincial CPPCC Committee; and Zhu Danhua, member of the National CPPCC Committee who is currently in Jiangxi, attended the meeting. The meeting heard and discussed Governor Wu Guanzheng's report on the progress of the double increase and double economy campaign and reforms in Jiangxi Province. [passage omitted]

The meeting appointed Comrade Lu Liang to become concurrently chairman of the provincial CPPCC Committee's Study Committee, removed Comrade Yang Yongfeng from the post of chairman of the Study Committee, appointed Comrade Jin Liqiang to become concurrently chairman of the provincial CPPCC Committee's Motions Committee, removed Comrade Lu Liang from the post of chairman of the Motions Committee, and appointed Comrade (Yang Xiaochun) as deputy head of the provincial CPPCC Committee's Work Group for Law.

Wan Shaofen Attends Jiangxi Meeting 25 Sep
OW291019 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 27 Sep 87

[Excerpt] The General Offices of the provincial party committee and the provincial government held a meeting with leaders of relevant provincial and city departments on 25 September to make arrangements for activities during this year's National Day and mid-autumn

festival. The meeting drew up a plan for conducting propaganda work in connection with the 13th National Party Congress. In addition, the meeting called on all to ensure market supply, improve social order, strengthen safety measures, and launch interesting cultural activities so that people can enjoy the two festivals and greet the party congress with political awareness and work achievements.

Wan Shaofen, secretary of the provincial party committee, heard reports by departments concerned and addressed the meeting.

Responsible leaders of the General Offices of the provincial party committee and the provincial government, the Propaganda Department of the provincial party committee, the party committee of the organs under the provincial authorities, the provincial Public Security Department, the provincial Cultural Department, the provincial bureau in charge of veteran cadres, the provincial Department of Civil Affairs, and the provincial Department of Commerce, as well as leaders of the Nanchang City party committee and government, briefed the meeting on their planned activities for the festivals. [passage omitted]

Shandong Officials at National Day Soiree
*SK011115 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 30 Sep 87*

[Text] On the evening of 30 September, the Zhenzhuquan Auditorium of Jinan City was brilliantly illuminated and filled with a joyful festive atmosphere, in which the province, the Jinan Military Region, and Jinan City jointly held a soiree to warmly mark the 38th anniversary of the PRC's founding.

Attending the soiree were responsible comrades from the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial people's government, the provincial CPPCC Committee, the provincial Higher People's Court, and the provincial People's Procuratorate, including Liang Buting, Lu Maozeng, Jiang Chunyun, Yang Xingfu, Yang Yanyin, Cui Weilin, (Tao Pengsheng), He Guoqiang, Gao Changli, Miao Fenglin, Zhang Quanqing, Wang Jinshan, Wang Chengwang, Wang Runzai, Liu Zhongqian, Sai Feng, Li Yu, (Zhu Yongshun), Sun Shuzhi, Li Farong, Li Zhen, Xiao Han, Xu Leijian, Xu Jianchun, Lin Ping, Feng Lizu, Lu Hong, Yan Qingqing, Ma Zhongchen, Ma Shizhong, Ma Changgui, Ma Lianli, Song Yimin, Zhu Qimin, Li Zichao, Zhou Xingfu, Zhou Zhenxing, Xu Wenyuan, Kong Lingren, Ding Fangming, Zheng Weimin, Jin Baozhen, Liu Yong, Yang Da, Han Bangju, and (Zhang Kun); responsible comrades from the Jinan Military Region; the region's Discipline Inspection Commission; the region's leading organs; the region's Air Force units; and the provincial military district, including Chi Haotian, (Bu Hui), (Song Qingwei), (Jiang Futang), (Xu

Chunyang), (Zhang Zhonglin), (Lin Xigui), (Yang Hanwen), and Liu Yude; Wu Shaozu, political commissar of the Commission of Science, Technology, and Industry for National Defense; Chen Renhong, member of the CPC Central Committee; Tan Qilong, Yao Shoukun, Zhao Lin, and Kong Shiquan, members of the Central Advisory Commission; and Wang Zhongyin, member of the Central Discipline Inspection Commission.

Also attending the soiree were veteran comrades including Gao Keting, Qin Hezhen, Gao Qiyun, Li Sijing, Wang Weiqun, and Zhang Jingtao; veteran comrades of the Jinan Military Region including Zhang Rushan and Pan Qiqi; veteran comrade of Jinan City, Zhai Yongbo; and responsible persons from various democratic parties and mass organizations at the provincial level.

Prior to the soiree, the leading comrades of the party, government, and Army organs and more than 1,500 cadres and masses from various fronts and the PLA commanders and fighters happily got together to cordially talk to each other and to speak glowingly of the tremendous achievements scored in the 9-year period of reforms, of their determination to uphold the four cardinal principles and the policy of conducting reforms and opening to the outside world, and of their endeavor to greet the convocation of the 13th CPC Congress with their outstanding achievements scored in conducting reforms and bringing about modernization.

During the soiree there was a film.

Shandong CYL Congress Opens in Jinan

Liang Buting Attends
*SK270633 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 24 Sep 87*

[Excerpt] The eighth provincial CYL Congress ceremoniously opened at the auditorium of Jinan's Dongjiao Hotel on the morning of 24 September. A total of 1,147 delegates and 7 non-voting delegates attended the congress. Among the participants, some are representatives of the advanced youth collectives and advanced CYL members who have made outstanding contributions to building the two civilizations; some are excellent CYL members and New Long March shock workers who have been commended by the central and the provincial CYL Committees; some are excellent CYL cadres who have worked hard and have made outstanding achievements; some are excellent Young Pioneers' instructors who have been meticulous in training children and youths; and some are [words indistinct] of the PLA units stationed in the province.

Present at the congress were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee, including Liang Buting, Jiang

Chunyun, Yang Yanyin, Cui Weilin, He Guoqiang, Gao Changli, Zhang Quanqing, Wang Chengwang, Li Farong, Li Zhen, and Ding Fangming. (Jiang Futang) and other leading comrades of the Jinan Military Region also attended the congress. [passage omitted]

New Secretary Elected

*SK020311 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 28 Sep 87*

[Text] The first plenary session of the eighth provincial CYL Committee was held in Jinan on the morning of 28 September. Through full deliberations, the session elected by secret ballot members, deputy secretaries, and the secretary of the Standing Committee of the eighth provincial CYL Committee.

(Yang Chuantang), 33 years old, was elected secretary of the provincial CYL Committee; and Wu Aiying, Zhao Shucong, Zhang Wei, and (Zhang Wanqing) were elected deputy secretaries of the provincial CYL Committee.

Zhang Quanqing, member of the Standing Committee of the provincial party committee and director of the Organizational Department of the provincial party committee, attended and addressed the session.

Shandong Secretary Reviews Military Parade

*SK020256 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 29 Sep 87*

[Excerpt] On the morning of 29 September at the sanitation school of the Jinan Military Region, the Logistics Department of the Jinan Military Region stationed in Jinan held a parade to mark the 38th anniversary of the founding of the PRC.

Accompanied by leaders of the Logistics Department of the Jinan Military Region, leading comrades of the Jinan Military Region, the province, and the city of Jinan, including Chi Haotian, (Gu Hui), Liang Buting, and Lu Maozeng, reviewed the parade. [passage omitted]

Shandong's Liang Buting Inspects Zibo City

*SK290042 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 27 Sep 87*

[Text] On the morning of 27 September, Liang Buting, secretary of the provincial party committee, inspected the work of (Linzhi) District in Zibo City. He inspected the plastic weaving plant, the plastic tool plant, and the (Xindan-Gudao) highway which will soon be completed and heard briefings from responsible comrades of the (Linzhi) District party committee.

Comrade Liang Buting said: The distinctive features of Zibo are that its urban areas have townships and its townships have urban areas, and its urban areas stimulate the rural areas and the rural areas support the urban areas. The urban and rural economy is integrated. Through running enterprises and developing new

projects, we should strive to cement closer ties between the ethylene project and the localities. While touching on the raw materials needed for the ethylene project, Comrade Liang Buting said: We should not just produce plastic film, instead, we should develop multilayered and varied supporting products. How can we achieve better results? Judging from a long-term view, we should have a complete set of plans. This is the strategic issue of our current economic development. At present, there are three conditions for supporting the ethylene processing work. First, we should use ethylene materials to develop intensive processing. Second, we should formulate a policy to actively develop the production of some materials needed by the Qilu Petrochemical Plant which it now imports such as the catalytic agent and (words indistinct). The ethylene project should actively support this in terms of technology. Third, the packing materials needed by the ethylene project should be arranged in line with the principle of obtaining them locally.

Shandong Social Sciences Congress Ends

*SK282351 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 26 Sep 87*

[Excerpt] The second congress of the Shandong Provincial Federation of Social Sciences Societies ended in Jinan on 26 September. Attending the congress were more than 400 social science workers representing some 60,000 members of 77 provincial-level associations, societies, and research societies and social science workers of 14 cities and prefectures.

Attending the congress were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee, including Liang Buting, Yang Yanyin, Cui Weilin, Wang Runzai, Yuan Bo, Li Zhen, Xu Sen, Ma Lianli, and Zhou Xingfu, and responsible comrades of the relevant provincial-level departments.

Miao Fenglin, member of the Standing Committee of the provincial party committee and director of the Propaganda Department, addressed the opening ceremony on 25 September. After fully affirming the province's achievements in social sciences for the past 9 years, he said: Social science workers should strive to carry out social science research work around the party's general line and tasks, and in the practice of reform and construction, uphold and develop the Marxist theory; persist in the principle of emancipating thinking, seeking truth from facts, working in unity, and looking ahead; exert strenuous efforts to conduct investigations and study, sum up fresh experiences together with cadres and the masses on the forefront of reform and construction; conscientiously explore solutions for our practical problems; and make greater contributions to the province's reform and opening up.

The congress also discussed and adopted a work report by (Lin Jiang), secretary of the party group of the provincial Federation of Social Science Societies and vice president, entitled Struggle To Invigorate the Province's Social Science Undertakings; revised the regulations of the Shandong Provincial Federation of Social Sciences Societies; and elected the second committee of the Shandong Provincial Federation of Social Sciences Societies. Miao Fenglin was elected president of the second provincial Federation of Social Sciences Societies. [passage omitted]

Shandong Grain Output Increase Reported
SK251213 Jinan DAZHONG RIBAO in Chinese
8 Sep 87 p 1

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, our province has made a breakthrough in grain production. Major indicators are as follows:

1. The gross grain output has increased steadily, and some changes occurred in the ratio between coarse and processed food grains. From 1981 to 1985, our province accumulatively produced 140.8 billion kg of grain, 1.23 times the total amount produced during the Fifth 5-Year Plan period. From 1981 to 1985, the grain-growing acreage in the province was reduced by 8.38 million mu; the per-unit grain yield increased by 75 kg, or a 40-percent increase; and the gross grain output increased by 7.6 billion kg, showing an annual increase of 1.5 billion kg. In 1986 the total grain output was 32.5 billion kg, an increase of 1.12 billion kg over the 1985 figure. In addition, relatively big changes occurred in the component of grain varieties, output of summer grain (with wheat as the main part) doubled and redoubled, and output of autumn grain increased steadily. In 1986 the total output of summer grain amounted to 15.64 billion kg, and summer grain's proportion of total grain output rose from 32.3 percent in 1980 to 47.4 percent.

2. Output of commodity grain has doubled and redoubled, and grain output has been more than self-sufficient. In the first 3 years of the Sixth 5-Year Plan period, our province was self-sufficient in grain; and in the latter 2 years of this period, grain output was more than self-sufficient. In 1986 the total volume of grain procured reached 7.88 billion kg, or 2.2 times the 1980 figure; and the commodity rate of grain rose from 12 percent in 1980 to 24.2 percent.

3. The province's rate of increase in gross grain output has been faster than the average national rate, and the province's place in the country has gradually risen. During the 5 years from 1981 to 1985, the national gross grain output increased by 19 percent, showing an average annual increase of 3.5 percent; during the same period, the province's gross grain output increased by 32 percent, showing an average annual increase of 5.7 percent. The province ranked third in the country in total grain

output in 1980; it rose to No 2 in 1985. In terms of the per capita amount of grain, the province rose from No 10 to No 8 and was expected to rise further in 1986.

4. The per capita amount of grain has increased, and the component of peasants' consumption has changed. In 1986 each peasant occupied 480 kg of grain on an average, an increase of 116 kg over the 1980 figure; and each peasant consumed an average of 228 kg of grain, of which 183 kg was flour or rice. The proportion of flour and rice in total grain consumption rose from 35 percent in 1980 to 80 percent in 1985, while the proportion of coarse food grains dropped from 65 percent to 20 percent.

5. The amount of grain exported has increased. In 1985 the province exported 703 million kg of grain, approximately 6 times the 1984 figure. In 1986 the grain exported by the province registered a 26.6 percent increase over 1985. Corn and dried sweet potatoes accounted for 92 percent of the grains exported.

Shanghai Issues Demonstrations Regulations
OW010144 Shanghai WEN HUI BAO in Chinese
24 Sep 87 p 2

[Text] Provisional Regulations Governing Demonstrations by Citizens in Shanghai Municipality (adopted by the 31st Meeting of the 8th Shanghai Municipal People's Congress Standing Committee on 23 September 1987)

Article 1: In order to protect the citizens' right to demonstrate, to maintain social order and public security, and to guarantee the steady advance of the socialist modernization drive, these provisional regulations are hereby enacted in accordance with the relevant provisions of the Constitution, laws, and administrative decrees and in light of the actual conditions in Shanghai Municipality.

Article 2: The citizens' right to demonstrate is protected according to law by the state organs at all levels in the municipality.

In exercising their right to demonstrate, citizens must abide by the Constitution, laws, and regulations and must not impair the interests of the state, society, of collectives, or the legitimate freedom and right of other citizens.

Article 3: All demonstrations, including urban or rural ones, demonstrations in public places, and water-borne demonstrations in the municipality, must be reported to and registered with public security organs.

Demonstration organizers with identification papers must submit written applications 5 days in advance to the district or county public security organs where the demonstration is to take place. Applications for transregional or transcounty demonstrations must be submitted to the municipal Public Security Department.

Written applications must include the following: Name, occupation, and address of the organizer; the purpose of the demonstration; the number of people participating in the demonstration; the demonstration site and the street(s) through which the demonstration will pass; start and finish times of the demonstration; forms of organization; and safety measures.

Article 4: The municipal, district, or county public security organs must make the decision to approve or disapprove applications for demonstrations within 3 days from the day after receipt of the application and must notify the organizer(s) in writing.

Apart from demonstrations that violate provisions of the Constitution or law, or that are detrimental to public order, applications for demonstrations should be approved by the municipal, district, or county public security organs. In order to accommodate the needs of maintaining the flow of traffic and public order, the public security organs are also authorized to alter the time, place, or route of demonstrations.

Article 5: After submitting an application for a demonstration, the organizer(s) of demonstration may withdraw the application before the public security organs approve it. If the organizer of a demonstration wishes to withdraw his application after it has been approved by a security organ, the organizer must immediately notify in writing the public security organ where the application was submitted.

Article 6: No unit or individual is permitted to hinder or interfere with approved demonstrations. Public security organs must maintain an orderly flow of traffic and public order during such demonstrations and must ensure that they are carried out normally by preventing outsiders from getting involved in these demonstrations.

The organizers of demonstrations must ensure that the demonstrations are carried out in accordance with the approved time, place, and route. The organizers of demonstrations are responsible for maintaining order and safety during their demonstrations, and should take the initiative in helping public security personnel maintain an orderly flow of traffic and public order.

When an unexpected incident occurs in the course of demonstrations, the public security organs are authorized to alter the route of the demonstration or to take other necessary measures in light of the actual situation.

Article 7: Public security organs must stop illegal demonstrations or approved demonstrations that are held contrary to the regulations, and they may take other necessary measures to deal with such situations. No individual is permitted to obstruct or resist public security personnel in performing their duty in accordance with the law.

Article 8: Demonstrators must abide by the following provisions during demonstrations:

1. Demonstrators must not obstruct vehicles, block traffic, or destroy transportation means or traffic facilities;
2. Demonstrators must not carry weapons, controlled cutting tools, inflammable or explosive articles, or other articles that endanger public security;
3. Demonstrators must not seize or destroy public or private property;
4. Demonstrators are not permitted to scrawl, distribute, or put up propaganda bills that slander or insult others or are intended to start a rumor to create trouble;
5. Demonstrators are not permitted to make speeches or shout slogans aimed to incite illegal activities; and
6. Demonstrators must not engage in criminal activities in violation of the law.

Article 9: In order to maintain public order and security, public security organs are authorized to set up security lines where necessary.

Article 10: Administrative actions shall be taken against violators of these regulations in accordance with the seriousness of each case. Violators who cause economic losses shall be ordered to pay compensation. Those who commit criminal offenses shall be dealt with according to the law.

Article 11: The municipal people's government shall explain in detail the specific application of these regulations.

Article 12: These regulations will become effective upon their promulgation.

**Shanghai Mayor Speaks at Conscription Meeting
OW271131 Shanghai City Service in Mandarin
2300 GMT 25 Sep 87**

[From the "Morning News" program]

[Text] The Shanghai Municipal People's Government and Shanghai Garrison held a meeting on conscription work on the morning of 25 September. The meeting urged conscription-age youths in the city to enthusiastically join the Army by responding to the call of the motherland. The various departments should strictly examine the qualifications of those signed up for enlistment and ensure the fulfillment of conscription quotas and the quality of recruits.

Jiang Zemin, mayor of Shanghai Municipality and chairman of the municipal Armed Force Committee, attended the meeting and made an important speech.

Expounding on the relations between economic construction and national defense construction, he pointed out: The streamlining and reorganization of the military has set a still higher demand on conscription work. Only by further raising the quality of recruits and providing the Army with large numbers of fine youths will we be able to lay a good foundation for military construction. Therefore, he urged the principal leaders of governments at all levels to personally attend to this work and ensure its success by providing assistance in terms of human, financial, and material resources. Trade unions, CYL Committees, and women's organizations at all levels should mobilize conscription-age youths in all quarters to sign up enthusiastically; organizational, labor and personnel, and educational departments should facilitate conscription work; civil affairs departments should do a good job in providing special care to family members of servicemen; and the various government organs, mass organizations, enterprises, and institutions should have the overall interest in mind and be willing to part with some of their fine youths.

Mayor Jiang stressed: While encouraging and mobilizing youths to fill their duty and join the Army in accordance with the law, we should help them solve their practical problems in a down-to-earth manner.

Ba Zhongtan, commander of Shanghai Garrison and vice chairman of the municipal Armed Force Committee, outlined the tasks of the city's conscription work. The meeting conferred Defense Ministry silk banners on Luwan and Putuo Districts and Shanghai County, national advanced units in conscription work. Vice Mayor Ye Gongqi presided at the meeting. Political Commissar (Yang Zhifan) and Deputy Commander Ren Yongqui of Shanghai Garrison attended the meeting.

Shanghai's Rui Xingwen Inspects Market
OW291307 Shanghai City Service in Mandarin
2300 GMT 27 Sep 87

[Text] The municipal party committee and government have shown concern for the supply of nonstaple food to the residents. In order to obtain first-hand information about vegetable and nonstaple food supply on the eve of National Day, municipal party committee Secretary Rui Xingwen, Mayor Jiang Zemin, and other leaders including Wu Banguo, Zeng Qinghong, Wang Liping, Li Zhaoji, Ni Tianzeng, Liu Zhenyuan, and Ye Gongqi have respectively arrived at markets on Shaanxi North Road, Inhai Road, Quxi Road, and Urumqi Middle Road for an inspection tour of the market. Our station reporters have also arrived at the scene to cover the news.

Central-South Region

Guangdong Armed Forces Wear 'Special Mark'
HK010525 Guangzhou Guangdong Provincial Service
in Mandarin 1000 GMT 29 Sep 87

[Text] In accordance with the spirit of a circular issued by the PLA General Staff Headquarters, from 1 October, all cadres of People's Armed Forces departments in the

province will carry a special mark of People's Armed Forces work. The special mark includes insignia on caps, epaulets, and collar badges. This special mark is a sign of People's Armed Forces cadres in carrying out military service work of the people's militia. When performing official duties, training people's militia, and carrying out tasks, People's Armed Forces cadres must wear Army cadre uniforms and wear the special marks according to regulations.

Guangxi Secretary Visits Cadres' Center
HK010407 Nanning Guangxi Regional Service
in Mandarin 1030 GMT 30 Sep 87

[Excerpt] Leading comrades of the party, government, and Army in the region including Chen Huiguang, Wei Chunshu, Jin Baosheng, Huang Yun, Gan Ku, and Xiao Xuchu have paid a visit to the first stage of the activity center for veteran cadres in Nanning to extend National Day greetings to a number of retired veteran cadres there. [passage omitted]

Henan Secretary at Rural Work Conference
HK270233 Zhengzhou Henan Provincial Service
in Mandarin 1230 GMT 26 Sep 87

[Excerpt] The provincial rural work conference convened by the provincial party committee and government concluded today. The meeting demanded that the party committees and government at all levels further strengthen leadership over rural work, study the rural economy, deepen rural reforms, support rural production, and make the greatest efforts to support and stimulate the development of rural commodity economy.

Provincial party committee Secretary Yang Xizong presided at the closing session. Cheng Weigao, deputy secretary of the provincial party committee and acting governor, made a speech. [passage omitted]

Hunan Leaders Attend National Day Gathering
HK010529 Changsha Hunan Provincial Service
in Mandarin 0100 GMT 1 Oct 87

[Excerpts] A grand gathering was held in the Dongfeng Theater in Changsha on the evening of 30 September to celebrate the 38th anniversary of the founding of the PRC. [passage omitted] The function was attended by responsible comrades of the party, government, and Army in the province including Mao Zhiyong, Xiong Qingquan, Wang Zhiguo, Zhao Chuqi, Shi Xinshan, Jiang Jinliu, Sun Wensheng, Shen Ruiting, Ding Weiye, and Chen Yuntian. [passage omitted]

Hunan's Mao Zhiyong Inspects Prefectures
HK010523 Changsha Hunan Provincial Service
in Mandarin 0100 GMT 28 Sep 87

[Excerpt] According to *Hunan Ribao*, adhering to proceeding from reality, continuously deepening reform, actively promoting advanced technology, bringing into

full play the strong point of natural resources, and speeding up economic construction in mountainous areas is a basic idea repeatedly stressed by Mao Zhiyong, provincial party committee secretary, during his inspection tour of Xiangxi Tujia-Miao Autonomous Prefecture and Huaihua Prefecture 12-24 September. [passage omitted]

Southwest Region

Guizhou's Hu Jintao Inspects Market, Supply *HK010227 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 30 Sep 87*

[Excerpts] Kaili, capital of the Qiandongnan Autonomous Prefecture, was in a festival mood on 30 September. At 0930 in the morning, provincial party committee Secretary Hu Jintao arrived at the crowded agricultural trade market to inspect the situation in the supply of agricultural and sideline products during National Day. [passage omitted]

Hu Jintao said to the secretary of the prefectural party committee and the prefectural governor accompanying him that the markets have now been enlivened and there are ample supplies; however, some prices are rather high. The key to further improving living standards lies in continuing to develop production. He also called on the departments concerned to strengthen market controls, and to crack down hard on those who stage market strikes, and people who indulge in short-weighing and measuring and in speculative activities.

Guizhou Trains Minority Nationality Cadres *OW011155 Beijing XINHUA in English 0732 GMT 1 Oct 87*

[Text] Guiyang, October 1 (XINHUA)—The ranks of minority nationality cadres have swelled in southwest China's Guizhou Province, a local personnel affairs official says. Their number has increased from 55,400 in 1978 to 99,500 today while the proportion in the province's total cadres has risen from 12.89 percent to 19.4 percent. The state stipulates that in autonomous areas, commissioners, magistrates, chairmen of people's congresses and township heads must be occupied by ethnic people.

Guizhou has three autonomous prefectures, 11 autonomous counties, and 418 autonomous townships, with a total minority population of 9.34 million. Cadre schools were set up by the province's autonomous prefectures in 1980 for training district and township cadres and have enrolled more than 3,000 educated youth, of which 1,700 have graduated. An example is Yang Changzhu of the Shui nationality who became head of Lantu Township after his graduation. He has helped his people achieve higher incomes by raising livestock and planting trees.

Meanwhile, the province has sent almost all the 44,000 newly-promoted young ethnic cadres to study in colleges, technical schools and training courses. With an increase in funds for minority nationality education and a lowering of college and secondary technical school entrance standards for ethnic students, the proportion of ethnic students in total enrollment has risen from eight percent in 1978 to 24.1 percent last year. Now ethnic technicians have quadrupled from 1978 to reach 51,800.

Local authorities also welcome cadres of Han nationality to work in ethnic areas.

Sichuan Leaders Attend National Day Party *HK020157 Chengdu Sichuan Provincial Service in Mandarin 0100 GMT 2 Oct 87*

[Excerpt] A grand garden party was held in the People's Park in Chengdu yesterday morning to mark the 38th anniversary of the founding of the PRC. The participants included Yang Rudai, Nie Ronggui, Bai Shangwu, Bai Shangwu, Xu Chuan, and Gao Shuchun, responsible comrades of the provincial party committee; Wan Haifeng, Li Shuo, Tao Guojun, and Shao Nong, responsible comrades of Chengdu Military Region and Sichuan Military District; Xu Mengxia, Yang Wanxuan, Wang Tengbo, and Luo Ming, responsible comrades of the provincial Advisory Commission; Cao Qingze, a responsible comrade of the provincial Discipline Inspection Commission; Peng Dixian, Ji Chuguang, Meng Dongbo, Liu Yunbo, Liu Haiquan, Zhang Zili, and Wang Yanli, responsible comrades of the provincial People's Congress Standing Committee; and Gu Jinchi, Luo Tongda, Pu Haiqing, and Xie Shijie, responsible comrades of the provincial government. [passage omitted]

Tourists Say 1 Dead in Lhasa Demonstration *HK020906 Hong Kong AFP in English 0904 GMT 2 Oct 87*

[Text] Chengdu, China, Oct 2 (AFP)—At least one person was killed and several dozen foreigners arrested during a demonstration Thursday in Lhasa for Tibetan independence, tourists returning from the region said here Friday. They said several thousand Tibetans watched the demonstration and that a police station was set on fire near the Jokhang, a Tibetan temple in the center of Lhasa.

The tourists were interviewed as they disembarked from a flight from Chengdu, the western Chinese city that is a gateway to the autonomous region in the Himalayas that was annexed by China in the 1950's.

Several tourists who witnessed the demonstration said they heard automatic weapons fire in the crowd. Five of them said they saw one dead Tibetan afterwards.

At least 10 travellers said that according to unconfirmed reports in Lhasa, two to eight people had been killed.

On Sunday, 26 Buddhist lamas and Tibetans marched in the streets of Lhasa calling for an independent Tibet. All were arrested, according to official Chinese sources. Tibet, which China claims as part of its territory, was invaded by Chinese troops in 1951.

Reaction to Lhasa Demonstration Reported

Ngapoi Talks to Reporters
HK011520 Lhasa Xizang Regional Service in Mandarin
1130 GMT 1 Oct 87

[“Excerpts” of a talk on 28 September to reporters in Xizang by Ngapoi Ngawang Jigmi, vice chairman of the NPC Standing Committee, about the demonstration held in Lhasa on 27 September]

[Text] Our state law provides clear-cut stipulations on holding demonstrations: If individuals have views to express and complaints to voice, those individuals should first apply to the relevant public security department for holding a demonstration. Only when the relevant public security department gives its approval on the holding of a particular demonstration will the individuals be allowed to hold that demonstration. However, the demonstration held in Lhasa yesterday did not conform with the relevant stipulations of our state law. Only a handful of people, about 20, took part in yesterday's demonstration. During the demonstration, a handful of people shouted slogans like, Independence for Xizang, and so on. What they did runs completely counter to the will of the broad masses of the Xizang people. Their action did not receive any support from the Xizang people.

The few people who held demonstrations in Lhasa yesterday wore kasaya. It was later learned that the oldest of yesterday's demonstrators is 29 years old and youngest of them is 19 years old. These few people assembled to make trouble in Lhasa. Why did they do such a thing? Their purpose was to vilify our party's religious policies and the policy of opening up to the outside world, which have been implemented since the 3d Plenary Session of the 11th CPC Central Committee. The Xizang people have strong religious beliefs and a deep respect for the lamas. These few people took advantage of the religious belief of the masses, wore lamas's kasaya, and made trouble in Lhasa. When we came out to deal with them according to the law, they complained that we suppressed the lamas in Xizang. Thus they tried to vilify our party. However, in fact, they failed to achieve their evil goal yesterday and their activities did not receive any support.

While a handful of people were holding the demonstration yesterday, I heard many people, especially old people, saying that these few people were actually making trouble in defiance of the state law and what they were doing would certainly cause trouble for the majority of the Xizang people. Now, our party's policies

towards Xizang are very good, indeed. These few people were simply trying to destroy the peaceful life of the Xizang people. However, their evil goal will never be achieved.

When our public security cadres and personnel were beaten up during yesterday's demonstration, they did not strike back. After the 27 September incident, the Xizang Regional CPC Committee and Regional People's Government gave a detailed report on the incident to the party and government cadres as well as the non-party patriotic personages in our region. After hearing the report, all the people unanimously agreed to the measures taken by our region in dealing with the incident. From this, we can see that the broad masses of the patriotic personages, the Xizang people, and the lamas in Xizang oppose the activities of these few people.

Our party's present policies towards Xizang are very good indeed, and have been welcomed by the broad masses of the Xizang people from the bottom of their hearts. Xizang now enjoys complete social stability. Xizang is an inseparable part of our motherland. This history of Xizang has long been recognized throughout the world. It is quite natural that at present, all the countries in the world still recognize this history of Xizang. Xizang will never become independent. The independence of Xizang is only wishful thinking by a handful of people. This is because the broad masses of the people will never allow Xizang to become independent.

Forum Condemns Demonstration
HK011501 Lhasa Xizang Regional Service in Mandarin
1130 GMT 1 Oct 87

[Text] In the past few days, the vast number of patriots of upper circles in Xizang region have held forums to express their indignation over the troublemakers who stirred up the 27 September incident and to condemn their activities aimed at disrupting the motherland. All the participants in the forums declared that they would protect unification of the motherland like their own eyes, and do their share for the four modernizations in Xizang.

At a forum held on 29 September, Xizang Regional CPPCC Committee Vice Chairman Lhalu Cewang Doje (Tuochang Suoerduoba) said: Xizang has maintained close ties with the interior of China since the Tang Dynasty, and the area was officially incorporated into the territory of China more than 700 years ago during the Yuan Dynasty. Even the title of dalai lama was granted by the Chinese emperor. However, this small bunch of troublemakers who ignored historical facts and the Tibetan people's feelings went so far as to clamor for the independence of Xizang at an important moment for the development of socialist revolution and construction in Xizang. This is simply intolerable!

CPPCC regional committee Vice Chairman Danzeng Jiacuo said: Since the peaceful liberation of Xizang, the political and economic situation here has undergone tremendous change. The party central authorities and the central people's government have allocated a great deal of human and material resources to help Xizang build highways, set up schools, and develop public health services. At the same time, a large number of plants, mines, and enterprises have been built up. Since the 3d Plenary Session of the 11th CPC Central Committee in particular, the CPC Central Committee has held two work meetings on aiding Xizang to draw up a special policy in the interest of the region. I recently visited Nagqu Prefecture. From my inspection tour there I deeply feel that the people's livelihood has been improved substantially and that the masses do enjoy full freedom of religious faith and all democratic rights. The socialist cause is developing smoothly and rapidly there. However, this bunch of troublemakers recklessly attempted to disrupt the current excellent situation, the unification of the motherland, and the unity of the nation. I think it is definitely necessary to take strong action against them.

CPPCC regional committee Vice Chairman Qaba Gaisang Wangdui said: [Words indistinct] indoors will shake when there is an earthquake outdoors. Since the Dalai Lama recently launched a series of campaigns in the United States to disrupt the motherland, a handful of people have started moving at home. This is by no means a coincidence. The Dalai Lama did promise that he would return here as soon as the people's livelihood improved. The Tibetan people now are living and working in peace and contentment. But the Dalai Lama still refuses to return. Instead, he starts launching campaigns again to [words indistinct] and to disrupt the motherland. This shows that he does not abide by his own words. Qaba Gaisang Wangdui expressed the hope that the Dalai Lama would return to have a look at Xizang. The five principles announced by the central authorities toward the Dalai Lama are clear and definite, he said. All the problems would be readily solved if he returned to see things as they are.

CPPCC regional committee Vice Chairman (Tangmai Gongjue Baimu) and some other participants also spoke at the forum. They unanimously pointed out that splittism is unpopular. This incident stirred up by a small number of scoundrels has already been strongly condemned by the people of all circles and all strata. These scoundrels' plot will never succeed. Instead, they will be cast aside by the Tibetan people.

The speakers called on all the people who are determined to devote themselves to the reform to build a new socialist Xizang to unite, to work for the four modernizations of Xizang, and to make their contributions to the unity and prosperity of the motherland under the banner of patriotism.

Official Says Only 72,000 Hans in Xizang
*OW290944 Beijing XINHUA in English 0927 GMT
29 Sep 87*

[Text] Beijing, September 29 (XINHUA)—There are only 72,000 people of Han nationality, the majority in China, living in Tibet Autonomous Region, about 3.5 percent of the region's total population, a senior official from the State Nationalities Affairs Commission told *Xinhua* today.

Of the 2.02 million people living in Tibet, those of the Tibetan ethnic group exceed 1.93 million, more than 95 percent. The rest are of minority people, including Monba, Luoba, Hui and Naxi.

The official said, it's ridiculous of those who say Tibet has 7.5 million Hans. He said, "Most of the Han people living in Tibet are sent there by other provincial or municipal governments to help the Tibetans construct their economy and develop their education and culture. Among them are engineers, technicians, workers, teachers, doctors, cadres and managers."

These people work there in turns, generally for a period of one to three years. Their expenses for daily necessities are provided by their own departments.

The official said, "Some of the people sent to Tibet are volunteers, but mostly go there after being persuaded, because Tibet plateau is high above the sea level and most people from interior areas are not used to the climate there."

Chen Dingyi, a doctor who has just come back from Tibet, told the reporter that he has been there three times since 1972. "We travelled in Ari Prefecture 4,600 meters above the sea level, offering medical care. Often, we had to bring along food, tins and pickles. Vegetables were simply impossible. Life was really arduous, but we still feel our life there is meaningful, because Tibetan people need us and are very hospitable to us," he said.

Doctor Chen works in the capital hospital, one of the best hospitals in China. He said, "Tibetan people welcome us very much. My recent trip was invited by the deputy president of a local hospital, who came to our hospital in person for the invitation."

An official from the Tibet Office in Beijing revealed a few days ago that most of the 43 projects developed by nine provinces and cities, including Beijing, Shanghai, Jiangsu and Zhejiang since 1984, have been put in use. These projects, particularly those of energy, transport, building material, and culture are all what the region urgently needs for its economic development.

The official said his office is trying to get more material and financial support from the interior of the country in accordance with the requests of the Tibetan people's government.

North Region

Beijing's Li Ximing at Specialists' Forum

SK251230 Beijing BEIJING RIBAO in Chinese
13 Sep 87 p 1

[Excerpts] On 12 September the municipal party committee and the municipal government held a forum to hear science professionals' and technicians' opinions and suggestions on development in the capital. [passage omitted]

Li Ximing, secretary of the municipal party committee, attended the forum. Also attending the forum were Lu Yucheng, member of the Standing Committee of the municipal party committee and chairman of the municipal Science and Technology Commission; Zhang Jianmin, vice mayor of the municipality; and responsible comrades of some municipal departments concerned. At the forum, they heard opinions and suggestions made by the specialists and held discussions with them. It was a lively forum. [passage omitted]

Li Ximing made a speech at the forum. He said: Bringing into play the functions of science and technology is of extreme importance to changing the current situation of poor work efficiency, low economic results, and high consumption. As China's capital, Beijing enjoys an exceptional advantage of having many specialists transferred by the central authorities. These specialists have enthusiastically shown concerns for the capital's development and have done many good deeds for Beijing. So, the municipal party committee and the municipal government are very grateful to them in this regard. [passage omitted]

Wang Qun Inspects Nei Monggol Disaster Area

SK280650 Hohhot Nei Monggol Regional Service
in Mandarin 2300 GMT 25 Sep 87

[Text] From 21 to 25 September, Wang Qun, secretary of the regional party committee; Qian Fenyong, deputy secretary of the regional party committee; and responsible comrades of relevant departments conducted investigations of disaster areas in Bayannur League and in the Hetao irrigated area. Based on extensive discussions with cadres, peasants, and herdsmen of various nationalities and on-the-spot investigations to become familiar with the actual situation, Comrade Wang Qun said: Nei Monggol is a good place and a land of treasures. The people and cadres here are good and they have accumulated rich experiences in struggling with natural disasters and in developing production. People of various nationalities should heighten their spirit, work hard, and build Nei Monggol into a united, prosperous, and civilized autonomous region that gallops like a fine horse.

Wang Qun and other comrades first examined the situation in the disaster-stricken areas of Urad Middle Banner and Urad Rear Banner and extended regards to the cadres and masses of various nationalities. He

inspected large and medium-sized fodder grass bases, family-based livestock supporting pastures, antidisaster bases, and animal feed and fodder grass processing plants. They also went deeply among some herdsman families to become familiar with their difficulties in production and living. After hearing about the disaster-stricken areas's measures for combating disasters and ensuring the safety of livestock, Comrades Wang Qun and Qian Fenyong were satisfied. They also touched on their own views and understanding.

Wang Qun said: We have suffered natural disasters in several successive years and the people here have difficulties in production and living. However, the morale of the people has been good. Localities with given conditions should build family-based livestock pastures, for this is the best way to develop animal husbandry. We should unceasingly develop and improve them in an effort to gradually achieve self-sufficiency in fodder grass. At the same time, we should display the superiority of animal husbandry, our key industry, and actively develop leather, fur, meat, and dairy products and fodder processing industries in an effort to promote economic development in pastoral areas. In combating disasters to ensure the safety of livestock, we should also stress efficiency. It does not pay to ship in fodder grass from afar to feed livestock to ensure their safety. We should expand the rate of livestock slaughtered and the rate of livestock sold as commodities. It is better to sell them to earn money than to let them die. This move is conducive to protecting the safety of female animals, breeding stock, and improved stock.

During their investigations in the Hetao irrigated area, Wang Qun and other comrades examined with great interest the grain fields, the farmland forest network, and the 10,000-mu of red willows in (Xiaozhuang) Township in Hanggin Rear Banner; township enterprises in (Shuguang) Township in Linhe City; and the city garment plant, the jam processing plant, the (Line) fat processing plant, and the Huanghe cross-river sluice gate in Dengkou County and (Erhuanghe). They also visited (Yang Moulin), an agricultural and animal husbandry integrated household in (Xiaozhuang) Township of Hanggin Rear Banner, and (Ma Fushan), a specialized cattle raiser who has earned foreign exchange by exporting cattle, and other peasants.

They fully affirmed Bayannur League's development policy of stressing forestry and animal husbandry while diversifying the economy in an effort to find a way of economic development with its own characteristics. This manifests the tremendous power of the policy of reform, opening to the outside and invigorating the economy. Comrade Wang Qun said: I appreciate the method of combining agriculture with animal husbandry. This is pioneering work of the peasants in the Hetao area who have developed the area in line with the reality. More grain and fodder grass will result in more and more livestock and manure will result in more grain. This is a scientific summation, a benign ecological cycle, and the

best way to achieve great development in grain, forestry, and livestock production. We should also realize that the Hetao area has great potential, but lags far behind other advanced localities in development.

What should we do? Comrade Wang Qun touched on his 4-point view:

1. The cadres and masses of various nationalities should enhance their spirit and foster firm confidence. We already have more than 8 years of reform experience and have scored very great achievements. We should treasure this. Grasping experiences, popularizing them, raising the level of combining agriculture with animal husbandry and gradually building more agricultural and livestock farms, and training more entrepreneurs will help us create tremendous wealth.

2. We should actively develop local industries. Due to historical and other natural reasons, our rate of industrial development has been slow and our superiority has not been fully displayed. Our economic strength has been weak. Therefore, we should stress forestry and animal husbandry while diversifying the economy, yet at the same time grasp industry and follow the road of developing the crop, breeding, and processing industries.

3. We should adopt various measures to import technology, trained personnel, and funds and establish lateral cooperation through various channels in an effort to speed up economic development. We have rich natural resources, but we lack technology, trained personnel and funds, which restricts our economic development. We should further open our region to the outside world and invigorate the economy.

4. Grain production in the Hetao area should be further developed. We should make good use of this area, improve production conditions, use advanced science and technology to raise the per unit area yield and contribute to ensuring gradual basic self-sufficiency in the autonomous region.

Shanxi's Li Ligong Speaks on Tasks of Youth
HK300217 Taiyuan Shanxi Provincial Service
in Mandarin 2300 GMT 29 Sep 87

[Excerpts] The Ninth Shanxi Provincial CYL Congress concluded in Taiyuan on 29 September after completing all its agenda. [passage omitted] The congress elected the ninth provincial CYL Committee and also elected 44 delegates to attend the 12th National CYL Congress.

The ninth provincial CYL Committee held its first plenary session in the afternoon. The meeting elected by secret ballot 11 members of the committee's Standing Committee. [passage omitted]

Provincial party committee Secretary Li Ligong attended the plenary session and expressed congratulations. He called on young people throughout the province to unwaveringly adhere to the four cardinal principles while engaged in reforms, opening up, and the four modernizations, and greet the 13th Party Congress with practical deeds. They should seriously study and appreciate the spirit of the documents of the congress and be promoters of reform. The CYL should step up education in adhering to the four cardinal principles among young people, and lead them to learn science, technology, and management, and to become young scientists and managers with knowledge and ability. [passage omitted]

Tianjin Congress Standing Committee Meets

Appointments, Dismissals

SK020848 Tianjin TIANJIN RIBAO in Chinese
19 Sep 87 p 2

[Text] On 18 September 1987 the 37th Standing Committee Meeting of the 10th Tianjin Municipal People's Congress adopted the following namelist:

Jin Jiyuan [6855 4764 0337] was appointed director of the Tianjin Municipal Machinery Industrial Management Bureau, and Guo Yanyi [6753 1693 4135] was appointed director of the Tianjin Municipal Civil Administrative Bureau.

Fan Baojun [5400 1405 0193] was released from his post as director of the Tianjin Municipal Civil Administrative Bureau, and Song Xinchun [1345 9515 2504] was released from his posts as vice president of the Tianjin Municipal Higher People's Court and member of the Judicial Committee.

Meeting Ends

SK020846 Tianjin TIANJIN RIBAO in Chinese
19 Sep 87 p 1

[Text] The 37th Standing Committee meeting of the municipal People's Congress ended on 18 September. The meeting adopted the "Regulations of the trade union of Tianjin Municipality's Sino-foreign joint ventures."

The meeting heard and discussed reports given on behalf of the municipal government by responsible persons of the relevant government department on the implementation of "Tianjin Municipality's 1987 national economic and social development plan"; on the implementation of "Tianjin Municipality's 1987 budget during the period from January to July"; and on the progress of the municipal "campaign to increase production, to practice economy, and to increase revenues and reduce expenditures." The meeting also heard and discussed a report given by Wang Yongchen, president of the municipal Higher People's Court, on the implementation of the "general principles of the civil code"; and a report given on behalf of the municipal government by a responsible

person of the municipal Public Security Bureau on the implementation of the "regulations on managing public security and punishing violators."

After the meeting, committee members inspected the areas outside Baodi County and the Great Wall renovation project and cultural relic protection situation in Jixian County.

Li Ruihuan Meets Bank Official in Tianjin
SK020840 Tianjin TIANJIN RIBAO in Chinese
19 Sep 87 p 1

[Text] At 1200 on 18 September, Mayor Li Ruihuan met with and feted Huang Weixiong, an official of the World Bank, and his entourage at a guesthouse. They exchanged views on developing cooperation between Tianjin and the World Bank. Huang Yanzhi, secretary general of the municipal government, and Zhang Zhun, chairman of the Board of Directors of the municipal Foreign Scientific and Technological Exchange Center, were also present at the meeting and banquet. On 18 September Huang Weixiong and his entourage watched the municipal exhibition on urban construction achievements during the Sixth 5-Year Plan period, visited the Jizhuangzi polluted water disposal plant, and toured the outer ring road.

Northeast Region

Heilongjiang CPPCC Meeting Concludes
SK260945 Harbin Heilongjiang Provincial Service
in Mandarin 2200 GMT 25 Sep 87

[Text] The 22d Standing Committee Meeting of the 5th Heilongjiang Provincial CPPCC Committee ended in Harbin on the morning of 25 September.

The meeting relayed guidelines of the meeting of the national Organizational Committee for local CPPCC work, further defined the nature and tasks of the Organizational Committee for local CPPCC work, and extensively discussed the issue of opposing bureaucracy.

Wang Zhao, chairman of the provincial CPPCC Committee, pointed out: To thoroughly eliminate bureaucracy, we should proceed with eliminating defects in our systems and reform irrational systems. It is necessary to strengthen ideological and work-style construction, to strictly observe laws and discipline, and to fully display our supervisory role in all fields. Through all kinds of supervisory work, we may expose serious bureaucratic work styles and acts of the party and government organs and cadres in a fact-seeking way and correct them in a timely manner.

Heilongjiang Congress Committee Adjourns
SK290430 Harbin Heilongjiang Provincial Service
in Mandarin 1000 GMT 26 Sep 87

[Text] After satisfactorily completing various projected items on its agenda, the 29th Standing Committee Meeting of the Heilongjiang Provincial People's Congress concluded on 26 September.

Chen Yuanzhi, vice chairman of the provincial People's Congress Standing Committee, presided over the meeting held on 26 September. Attending the meeting were Li Jianbai, chairman of the provincial People's Congress Standing Committee; and Wei Zhimin, Wang Jinling, Liu Huixian, Wang Pili, Wang Jun, Zhao Zhenhua, He Shoulun, and Zhang Ruoxian, vice chairmen of the provincial People's Congress Standing Committee. Present at the meeting as observers were Jing Bowen, provincial vice governor; Zhang Li, president of the provincial Higher People's Court; and Jia Chengwen, chief procurator of the provincial People's Procuratorate.

The meeting's participants adopted the resolution on promoting the sound development of private industrial and commercial households in line with the laws; the resolution on penetratingly implementing the law on regional national autonomy with an aim to further strengthen the work towards minority nationalities; and the namelists of the appointed and dismissed cadres.

In his speech made at the conclusion of the meeting, Li Jianbai, chairman of the provincial People's Congress Standing Committee, pointed out: At present, in view of the good current situation, we should not lose sight of our shortcomings. We should pay attention to the issues which the masses are most concerned about and the problems which should be solved most urgently. For instance, we should show concern for the production and livelihood of the people at disaster areas, and should strengthen the pricing control and prevent price hikes. People's Congress Standing Committees at all levels should strengthen their supervision over the pricing work in order to ensure the implementation of laws and regulations on commodity prices.

Heilongjiang's Sun Weiben at Cadre Rally
SK300448 Harbin Heilongjiang Provincial Service
in Mandarin 2200 GMT 28 Sep 87

[Excerpts] At the exhibition hall on the afternoon of 28 September, the provincial party committee and government held a rally to handle the cases of provincial organs to oppose bureaucracy and straighten out the discipline of the organs. Six serious cases on bureaucracy and law and discipline violation were publicly handled, and 15 cadres were punished in line with party and administrative disciplinary actions. The six cases involved a certain responsible person of the provincial Painting and Calligraphy Institute who abused power to embezzle public funds; a former responsible person of the General Affairs

Administrative Bureau of the organs under the provincial party committee who repaired his house with public funds; a certain responsible person of the provincial Petrochemical Industrial Department who sought personal gain; some cadres of a certain tax unit who accepted gifts and bribes; the former hardware and electric appliance joint company of the provincial Second Light Industrial Department which was cheated; and the former interior decoration company of the provincial Second Light Industrial Department which was cheated.

The rally was presided over by Chen Yunlin, deputy secretary of the provincial party committee and provincial vice governor. Responsible persons of the organs directly under the provincial party committee and the organs directly under the provincial government announced respectively the decisions on punishing the personnel who had committed mistakes. These six cases handled publicly involved 15 cadres, of whom 4 are at the department deputy chief level, 6 at office chief level, and 5 at section chief level. Among these cadres who had committed such mistakes as serious bureaucracy, dereliction of duty, bribe taking, embezzlement of public funds, and power abuse for personal gains, four were expelled from the party and dismissed from their posts; two were placed on probation within the party and were dismissed from their posts; two were dismissed from all their posts in and outside the party; one was dismissed from his party post and given an administrative demotion; four were given a serious disciplinary warning within the party; one was given a disciplinary warning within the party; and one was given an administrative warning. [passage omitted]

Attending the rally were leading comrades of the provincial party committee, Advisory Commission, Discipline Inspection Commission, People's Congress Standing Committee, government, and CPPCC Committee, including Sun Weiben, Wang Zhao, Liu Chengguo, Wang Yusheng, Wang Haiyan, Zhang Xiangling, Wang Fei, Wei Zhimin, Wang Lianzheng, Jing Bowen, Bao Zong, Xie Yong, and Jin Xiaozhen; and retired veteran cadres, including Zhao Dezun. Leading persons of the various units directly under the province, secretaries in charge of this work of various city and prefectural party committees, city mayors, and secretaries of discipline inspection commissions, totaling more than 2,000, also attended.

Sun Weiben Holds Discussion With Workers
SK200114 Harbin Heilongjiang Provincial Service
in Mandarin 2200 GMT 28 Sep 87

[Text] On the morning of 28 September, more than 20 provincial model workers from all fronts throughout the province and leaders of the provincial party committee and government gathered to discuss the great cause of deepening reform and the great task of rejuvenating the province.

The September sun shone brightly and the wind blew pleasantly. At 0830 Sun Weiben and Chen Yunlin, secretary and deputy secretary of the provincial party committee; Du Xianzhong, provincial vice governor; and model workers walked into a conference room. Model workers vied to express their views on deepening reform and rejuvenating the province. (Wang Fenggong), delegate to the 13th Party Congress and director of the state (Xingguang) machinery plant, said: Deepening the reform of industrial enterprises to increase their momentum is an important task now. In particular, we should conscientiously study the issue of increasing the momentum of enterprises. Government departments should provide more favorable conditions to enterprises.

(Sun Jinding), director of the Harbin (Huaxing) Construction Co., who became famous for leading a highly efficient and good-quality construction team, said: The development of our enterprise has fully proven that reform has invigorated enterprises. We, a collective enterprise, dare to compete with state enterprises because we are not a daughter-in-law and do not have many mothers-in-law and can exercise our powers by ourselves. He also said that attention should be paid to the lack of plasterers in our province's construction industry. Other delegates, such as (Han Bailing), (Ba Denian), and (Jia Jielin), also offered suggestions on the reform of traditional Chinese medicine, the transfer of talented people, and reforms within enterprises.

After hearing the opinions of delegates, Sun Weiben, secretary of the provincial party committee, said: Some units in our province have created very good experiences in reform. We should exert great efforts to popularize them. Enterprises should put more effort into reform and enhance their sense of competition. Leading cadres should render service to the grass roots and create a phenomenon in society where people who try to be officials without exerting efforts find it difficult to hold their posts. He called on provincial model workers to stand at the fore of reform in doing their work and continue to make contributions to reform.

Heilongjiang Writers' Federation Established
SK270432 Harbin Heilongjiang Provincial Service
in Mandarin 1000 GMT 24 Sep 87

[Text] The Heilongjiang Provincial Federation of Writers and Entrepreneurs was established in Harbin this afternoon.

Sun Weiben, secretary of the provincial party committee, was elected as honorary president of the federation; Chen Yunlin, deputy secretary of the provincial party committee and vice governor of the province, was elected president; Gong Benyan, mayor of Harbin City, was elected chief adviser; and (Li Cunren) was elected secretary general of the federation.

An inaugural meeting for the Heilongjiang Provincial Federation of Writers and Entrepreneurs was held at the provincial Creators' Home this afternoon.

Sun Weiben said in his speech: Through the activities of establishing contacts between writers and entrepreneurs, conditions will be created for writers to deeply engage themselves in the economic system reform and to understand entrepreneurs. So, this is a good thing that should be supported.

He encouraged writers and entrepreneurs to further enhance their mutual understanding, to hold heart-to-heart talks and to make friends with each other through the regular activities so as to produce and create a group of fine works reflecting reform.

Jilin CPPCC Work Meeting Concludes
SK290012 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 25 Sep 87

[Excerpts] The provincial meeting of CPPCC affairs concluded in Changchun City on 25 September. Leading comrades from CPPCC committees at all levels throughout the province, who were participating on behalf of more than 10,500 CPPCC members at all levels throughout the province, said that efforts should be made to be determined in continuously deepening the drive to conduct reforms to greet the convocation of the 13th CPC Congress with the concrete deeds of upgrading their capability of joining in administration work and discussing political affairs and of bringing into full play the intellectual strong point of CPPCC committees.

At the meeting, Wang Zhonyu, deputy secretary of the provincial party committee, and Liu Jingzhi, chairman of the provincial CPPCC Committee, delivered speeches. [passage omitted]

Attending the meeting were vice chairmen of the provincial CPPCC Committee, including Zhang Fengqi, Zhang Dexin, He Yunqing, Luo Yuejia, Xin Cheng, Jin Minghan, Cai Qiyun, and Lu Shiqian; and Li Diping, former chairman of the provincial CPPCC Committee.

Gao Di at Jilin Conscription Work Meeting
SK260959 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 25 Sep 87

[Text] The 1987 provincial conscription work meeting ended today. Liu Yunzhao, member of the Standing Committee of the provincial party committee, chief of the provincial Conscription Leading Group, and vice governor, addressed the meeting.

The meeting called for efforts to achieve remarkable improvements in three aspects and to attain one development target. These included that the proportion of enlisted core members of the militia, the proportion of

party and CYL members, and their cultural standards should all rise remarkably over previous years in an effort to comprehensively develop the province's conscription work.

The meeting pointed out: This year's conscription work should still be centered on ensuring the quality of new recruits. In view of the new situation in which control over the conscription age has been relaxed and more and more youths in townships and towns have engaged in commerce in other localities, efforts should be made to examine their political awareness and guarantee their political soundness. We should adopt effective measures to overcome malpractices in conscription work.

During the meeting, on behalf of the Ministry of National Defense, relevant departments presented silk banners to four advanced conscription work units, including Shuangyang County.

The province commended three advanced conscription work units, including Liaoyuan City. Eight units, including the Liaoyuan City people's government, introduced their experiences in conscription work.

Comrade Gao Di attended and addressed today's meeting. Responsible comrades of the provincial military district, including Chen Xingyin, Zhao Zaikang, and Liu Chuan, attended the meeting.

Gao Di Joins in Commodity Economy Forum
SK300030 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 28 Sep 87

[Text] On 27 September the provincial forum on comprehensively developing the commodity economy in western Jilin Province was drawing to an end. Leading comrades, including Gao Di, secretary of the provincial party committee; Gu Changchun, member of the provincial party Standing Committee; Gao Wen and Wang Jinshan, vice governors of the province; and (Gu Mulin), secretary general of the provincial party committee, held discussions on important issues with the forum's participants in the provincial party committee's meeting room. Topics for discussion included the guideline of developing the economy in the agricultural and animal husbandry areas of western Jilin, the guiding ideology of approving the development project, and the demands of formulating concrete policies, in order to mutually discuss matters of vital importance in making the province wealthy and benefiting the people.

At 0830 that day, the entirely new sort of discussion began, which was presided over by Comrade Wang Jinshan. At the discussion, Comrade Gao Di first voiced his opinions in which he pointed out: Areas in western Jilin have the greatest potential and are an important part of our province's development plan. Over the past few years, these areas have developed quickly, and it is very possible that they will discover new projects in the future. Therefore, developing the economy in western

Jilin is strategically important to the province's long-term development plan. The province's guideline of developing the rural economy is, on the basis of ensuring the steady growth of grain production, to vigorously develop a diversified economy and make the rural commodity economy prosperous in an overall way, which is also suitable to the areas of western Jilin.

Grain production is the foundation of the national economy and the strong point of the province's production. Therefore, they should never neglect grain production. Only by achieving development in this regard can they push forward other various undertakings on this stable foundation. In conducting grain production, the western areas should implement the principle of selectively planting high-yield crops in order to upgrade their per-unit yield. Areas that have water conservancy conditions, such as banks along rivers and streams, may plant rice by drilling small wells. Areas of waterlogged lowland may plant rice by breeding seedling under plastic sheets. They may expand their planting acreage of corn, but some localities should adequately reduce their planting acreage in this regard. It is also necessary for them to expand their planting acreage of cash crops, such as soybean, sorghum, sunflower seed, beet, and castor.

In voicing his opinions, Gao Di pointed out: Western areas should now place their rural work emphasis on the task of developing a diversified economy and achieving overall development in various industries and trades, such as agriculture, forestry, animal husbandry, sideline production, fishery, industry, commerce, construction, transportation, and services. In the near term, they should do a good job in chiefly grasping the production of animal husbandry, such as vigorously raising hogs, chickens, cattle, and sheep. Meanwhile, a good job should be done in processing animal by-products and achieving increased output value at each level.

They should also continuously and successfully grasp forestry production and upgrade the rate of forestry development. In planting trees they should integrate ecological effect with economic results and plant more fruit trees and trees that have high economic value.

He stressed: In developing farmland, western areas should depend first on self-reliance and then on state subsidies. With regard to employing talented personnel, Comrade Gao Di pointed out: Efforts should be made to bring into full play the role of on-the-job personnel, to extensively recruit personnel, and to hold training classes in coordination with the production units by offering job-oriented courses.

In dealing with the relationship between industry and agriculture, they should advocate the worker-peasant alliance. Peasants engaged in raw material production should supply raw materials to plants in line with the coordinative system, and plants should appropriate their profits to support the peasants' production. The method of opening a joint-venture business by using the profits

will certainly have the best effect. During the discussion, (Zhao Guoyou), secretary of the Taonan City party committee, asked if the current system of "three hook-ups" in distributing farming materials can be further spread. In answering the question, Comrades Gao Di, Gao Wen, and Wang Jinshan stated: In line with the actual situation of Baicheng Prefecture, which has achieved great development in farm machine utilization and expanded its demands for investment in grain production, we may study the possibility of adopting an policy of encouragement.

During the discussion, comrades from other prefectures and counties also exchanged opinions in a friendly manner with leading comrades of provincial party and government organs.

The 3-hour discussion was filled with a warm and lively atmosphere from beginning to end.

Jilin's Gao Di at Nanchukou Road Opening
SK020057 *Changchun Jilin Provincial Service*
in Mandarin 1030 GMT 29 Sep 87

[Text] Jilin City's Nanchukou road, the first first-grade cement and concrete road in our province, formally opened to traffic this morning.

Attending the ribbon-cutting ceremony were Gao Di, secretary of the provincial party committee; Huo Mingguang, vice chairman of the Standing Committee of the provincial People's Congress; (Xiang Duo), member of the Standing Committee of the provincial Advisory Commission; and principal leaders of the city of Jilin.

Jilin City's Nanchukou Road is a section of the Aihui-Dalian Road, as well as the only thoroughfare from Jilin to Panshi, Huadian, [words indistinct], and tourist areas around Songhua Lake. The high-grade road is 3.4 km long and 31 meters wide. The road is paved with cement and concrete and includes traffic lanes for motor vehicles and man-powered vehicles. The total investment is 12.7 million yuan. Records have been set in terms of the road's investment, construction standards, and construction speed in Jilin since the founding of the PRC. The road is expected to be serviceable for 30 years.

Liaoning Congress Committee Meeting Ends
SK260951 *Shenyang Liaoning Provincial Service*
in Mandarin 1030 GMT 25 Sep 87

[Text] The 28th Standing Committee meeting of the 6th provincial People's Congress ended today.

At the afternoon plenary meeting, participants discussed and adopted three local laws and regulations, including a method for managing Liaoning Province's collective and individual mining, a regulation on resettling people who

move away to make room for construction in Shenyang, and a regulation for Fushun City on protecting legal rights and the interests of women, children, and elderly people.

The meeting also appointed (Zhou Jianshan) to be chairman of the provincial Machinery Industrial Commission; (Wang Zhimin) to be director of the provincial Public Health Department; and Fang Zhizhao to be chairman of the the Education, Science, Culture, and Public Health Committee of the provincial People's Congress Standing Committee.

During the meeting, all voting was done with voting machines built by the Fuxin Electronics Research Institute. The previous methods of voting, by a show of hands and by ballot, were discarded.

Liaoning Party Official Dies 22 September
SK020048 Shenyang Liaoning Provincial Service
in Mandarin 1030 GMT 29 Sep 87

[Excerpt] Comrade Zhang Ziheng, vice chairman of the fifth provincial People's Congress Standing Committee, former Standing Committee member and first secretary of the (?Supervisory) Commission of the provincial party committee, and a retired cadre, died of illness in Shenyang on 22 September. He was 88 years old. [passage omitted]

Northwest Region

Ningxia Leaders at National Day Celebration
HK020217 Yinchuan Ningxia Regional Service
in Mandarin 2300 GMT 1 Oct 87

[Excerpt] The people of Yinchuan held grand garden parties in various parks to mark National Day on 1 October. Present at these events were Shen Daren, secretary of the regional party committee; Bai Lichen, deputy secretary of the committee and chairman of the regional government; Hao Tingzao and Liu Guofan, deputy secretaries of the committee; Cai Zhulin, member of the Standing Committee of the committee; Jiang Guangdong, vice chairman of the regional Advisory Commission; Hei Baili, chairman of the regional People's Congress Standing Committee; Vice Chairmen Ma Youde, Ding Yimin, Guo Wenju, Liang Feibiao, and Feng Mao; Wang Yanxin and Yang Huiyun, vice chairmen of the regional government; Liu Xueji, commander of Ningxia Military District, and Wang Huanmin, political commissar. [passage omitted]

Qinghai Tests Autonomy Law on Trial Basis
OW280115 Beijing XINHUA Domestic Service
in Chinese 0630 GMT 25 Sep 87

[By reporters Wang Hongwei and Wang Chunsheng]

[Text] The Qinghai Provincial People's Government recently promulgated the "Rules for Implementing the 'Law on Regional Autonomy for Minority Nationalities

of the People's Republic of China' in Qinghai Province on a Trial Basis." Regulations on regional autonomy for Hainan, Haibei, and Haixi Autonomous Prefectures have also been examined and approved by the Standing Committee of the provincial People's Congress and have been promulgated for implementation.

People of different nationalities reside in Qinghai and people of minority nationalities account for 40 percent of the total population in the province. Since the 1950's, regional autonomy has been implemented in areas resided by people of Tibetan, Hui, Tu, Salar, and Mongol nationalities. Six autonomous prefectures and seven autonomous counties have been established. The areas of regional autonomy for minority nationalities account for 98 percent of the total area of the province. After the promulgation of the "Law on Regional Autonomy for Minority Nationalities of the People's Republic of China," the province has further strengthened legislative work on the regional autonomy for minority nationalities. The province and most autonomous prefectures have formulated local regulations on family planning, grassland management, educational mineral resources management, and election of people's deputies in light of special characteristics of various nationalities. Rules and regulations not in accord with the Law on Regional Autonomy for Minority Nationalities have been adjusted, revised, or supplemented. Preferential policies have been adopted for people of minority nationalities in a number of fields, including their bearing children; admission into schools and advanced study; employment; the training and use of cadres of minority nationalities; the development of nationality education; and the development and utilization of mineral resources.

The strengthening of legislation in the province and areas of regional autonomy has effectively promoted the building of socialist legal system in Qinghai and insured the implementation of the party's nationality policy in an all-around way. People of various nationalities have now enjoyed equality and the right of regional autonomy. Political, economical, cultural, and educational work in areas of regional autonomy have been further developed and a socialist relationship among people of various nationalities on the basis of equality, unity, and mutual assistance has been further consolidated and developed.

Qinghai Leaders Complete Reading Course
HK010557 Xining Qinghai Provincial Service
in Mandarin 0430 GMT 1 Oct 87

[Excerpt] The fourth book-reading course for leading cadres of the provincial party committee concluded yesterday. The concluding ceremony was attended by Yin Kesheng, Song Ruixiang, Lu Shengdao, Chen Yunfeng, Tang Zhengren, Zhao Haifeng, Wei Jinde, Shen Ling, and other leading comrades, together with the 70

participants in the course. Yin Kesheng presented graduation certificates to the participants. Lu Shengdao made a speech on study. Chen Yunfeng delivered a summation. [passage omitted]

Shaanxi Leaders Urge Fighting Drought
HK300149 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 30 Sep 87

[Excerpt] The provincial party committee and government jointly held a telephone conference yesterday evening to call on the province to urgently mobilize and do a good job in fighting drought and carrying out autumn sowing. Hou Zongbin, deputy secretary of the provincial party committee and acting governor, presided at the meeting. Provincial party committee Secretary Zhang Boxing and Vice Governor Xu Shanlin spoke. Also present were Mou Lingsheng, deputy secretary of the provincial party committee, and Lin Jizhou, vice governor.

The provincial party committee and government pointed out that the province has had consistent high temperature and drought since the beginning of autumn. Most places have had 50 to 70 percent less rain during September than in previous years. The soil moisture content has dropped to about 10 percent, thus causing tremendous difficulties in sowing the wheat and rape-seed crops.

In order to do a good job in fighting drought and carrying out autumn sowing without missing the season, the provincial party committee and government demanded that all localities have a full understanding of the severity of the drought and resolutely eliminate the mentality of relying on luck by passively waiting for rain before sowing. The leading cadres must go to the frontline of fighting drought and carrying out autumn sowing to exercise face-to-face leadership and promptly and effectively solve the difficulties and problems encountered. [passage omitted]

Decision to Punish Reporters Criticized
OW010739 Beijing XINHUA Domestic Service
in Chinese 1421 GMT 30 Sep 87

[Text] Beijing, 30 Sep (XINHUA)—Public opinion in Taiwan and Hong Kong is dissatisfied with the Taiwan authorities' decision to punish the chief editor and two reporters of *Zili Wan Bao*.

The Taiwan press reports that following the Taiwan authorities' announcement to punish *Zili Wan Bao* and the two reporters who visited the mainland to gather news, 18 Taiwan "Legislative Yuan members" presented an emergency interpellation to the "Executive Yuan." They held that the two reporters' visit to the mainland was a simple act of newsgathering by mass media workers and was not against the law, and that there was no law restricting Taiwan people from traveling to the mainland at present. In the interpellation, "Legislative Yuan member" Lin Lianhui pointed out that the two reporters' visit to the mainland for newsgathering purposes neither violates the "law" nor "contradicts the government's policy to lift the ban on visiting relatives on the mainland."

Taiwan's *Zili Wan Bao* issued a public statement on 28 September protesting to the Taiwan authorities for preparing to punish the paper and its two reporters. It claimed that it would file a suit against the Taiwan authorities and hire the best possible lawyer and appeal the incident to the mass media inside and outside the island.

Many lawyers and scholars in Taiwan reportedly stated their views expressing dissatisfaction over the authorities' decision on handling the case, and expressed their concern to *Zili Wan Bao* and the two reporters. Lawyers Xu Wenbin and Huang Dongxinung expressed shock at the authorities' decision to refer the *Zili Wan Bao*'s chief editor and two reporters to the Taipei local court for prosecution. They held that "the reporters' travel to the mainland does not fall in the category of 'travel abroad'" and that "it is a basic matter of jurisprudence." Ye Botang, professor of the Graduate School of East Asian Studies of Zhengzhi University in Taiwan, stated that the dispatch of reporters by *Zili Wan Bao* to the mainland to gather news "is a good rather than a bad thing," and that the authorities should "reward, rather than punish, them." "Legislator" Wang Yixiong expressed the view that the two reporters' travel to the mainland to gather news "was a nongovernmental effort to promote communication between the people on both sides of the strait," and that "since the authorities are ready to lift the ban on travel to the mainland to visit relatives, 'it is hardly justifiable' to mete out a strict penalty at this time." Lawyer Zhou Canxiung said that he would plead for *Zili Wan Bao* and believed that the case would be won.

Four Chinese language newspapers in Hong Kong carried editorials or commentaries on the Taiwan authorities' attitude. A *Cheng Bao* editorial pointed out that the

travel of the two reporters had been welcomed by the people. *Wen Hui Bao* in its editorial pointed out that "the two reporters' visit to the mainland to gather news does not violate the Taiwan authorities' principle of lifting the ban on travel to the mainland to visit relatives," and that "efforts to suppress news gathering and reporting on the mainland run counter to the people's will."

KMT Member on PRC-Taiwan Relations
HK291422 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 0952 GMT 29 Sep 87

[Report by Xu Shaoling (6079 1421 3781): "Relations Between the Two Sides of the Taiwan Straits Are at a Delicate Stage—Pu Shaofu Talks About People's Visits to Their Relatives on the Other Side of the Straits, Exchange of Visits, and Exchanges in Various Fields"]

[Text] Hong Kong, 29 Sep (ZHONGGUO TONGXUN SHE)—Pu Shao-fu, a former member of Taiwan's Legislative Yuan and the director of the Hong Kong news magazine *Hsinwen Tienti* and travel magazine *Luhsing Tsachih*, has said that it is inevitable that Taiwan will adopt an open policy. If Taiwan allows its residents to travel to the mainland for the purposes of sightseeing and visiting relatives and also allows mainland compatriots to visit Taiwan, then this will promote mutual understanding between the two sides. He said that Taiwan should also welcome mainland reporters to visit Taiwan.

Pu Shao-fu recently agreed to an interview with this *Zhongguo Tongxun She* reporter and talked about his opinions on people's visits to their relatives on the other side of the straits, cultural exchanges, and the exchange of visits by reporters from the two sides.

Pu Shao-fu said that Taiwan's adoption of an open policy is inevitable. This does not serve any special purpose, but is determined by many factors, including relations between the KMT [Kuomintang] and the opposition in Taiwan, the situation in Hong Kong, and some international factors.

Pu Shao-fu said: Chiang Ching-kuo himself has repeatedly stressed the need to shoulder his historical mission, or to be responsible to the history of the country. He is now 77 years old and must properly arrange many things. Two years ago, Chiang pointed out that a number of issues must be solved. For example, it is necessary to reelect new members of the National Assembly, increase the number of people's representatives in the central government, and transform the party. As for martial law, the people of Taiwan, except for Jinmen and Mazu, did not at all feel that they were living under martial law, so the martial law had lost actual significance and should simply have been lifted. Thus, the general tendency is that Taiwan will become more open.

When talking about Taiwan allowing people to travel to the mainland for sightseeing and visiting relatives, Pu Shao-fu said that in the past, the two sides were completely cut off from each other. Now, however, the two peoples have begun to come into contact with each other, and this will increase their ties, their mutual understanding, and their feelings toward each other. The news collection activities of the two reporters for Taiwan's *Tzu Li Wan Pao* on the mainland, as well as travel by residents of Taiwan to the mainland to visit their relatives, have played a role in increasing mutual understanding. It is certain that each side will influence the other side, and the influence may be both positive and negative. Here, I cannot evaluate such mutual influence. Things on both sides will continue to change. To be frank, if the mainland insists on the people's democratic dictatorship, I believe it will be hard for the two sides to achieve a common position. Dictatorship is a form of autocracy. Taiwan does not uphold this system. The country should be ruled by law, and things should be solved by legal means. Now 20,000 to 30,000 Taiwan people are living on the mainland, and they should also be allowed to visit their homes and their relatives in Taiwan. Visiting relatives should be a two-way activity rather than a one-way activity. There should not be any restrictions. I expect that mainland compatriots will also be allowed to visit Taiwan in the future. So far, the mainland has not made rapid and strong reactions on this issue.

Pu Shao-fu said: "I am a member of the KMT, but I think that China's problem is a national problem rather than the problem of a regime. There have been too many dynasties in Chinese history. Our nation is now undergoing a delicate stage. The mainland may not become completely capitalistic, but it will be influenced by capitalism."

As for the publishing service center that he plans to set up in Hong Kong, Pu Shao-fu said that the preparations for this publishing service center are under way. He said that he is the right person to play a bridging role between Taiwan and the mainland, and no other person may have better qualifications than he for doing this job. He said that the government (referring to Taiwan) has indicated that a third party in a third country will be entrusted to do the work for cultural exchanges between the two sides, and this person must be trusted by both sides. Meanwhile, the mainland will also find a person in the position corresponding to his. Hong Kong also needs such a representative figure.

Pu Shao-fu said that the publishing service center has not yet begun to operate. He has yet to register the company with the Hong Kong Government or to find a legal adviser. If any problems occur in the future, they will be solved according to the law in Hong Kong rather than being handled according to the orders from the mainland or Taiwan.

Pu Shao-fu said that many things can be introduced from the mainland to Taiwan. These include things in science and technology, agriculture, and sports. Not only publications can be introduced to Taiwan, some movies and songs can also be introduced to Taiwan. Many mainland painters can exhibit their works in Taiwan, and Taiwan painters also want to hold exhibitions on the mainland. This will finally lead to real cultural and art exchanges.

As for the mainland visit by the two reporters for Taiwan's *Tzu Li Wan Pao*, Pu Shao-fu held that according to Taiwan's current law, the reporters should not be punished. They can only be penalized for violating a stipulation of the regulations on entry and exit controls. When they applied for the exit permits, they merely said that their destination was Tokyo, so they should be penalized for this. However, the penalty will not be imprisonment; it may be a ban on leaving Taiwan for the next 1 to 2 years.

Will mainland reporters also be able to tour Taiwan? Pu Shao-fu said that this is not very likely for the time being. He said: Three years ago, I filed a proposal to the Legislative Yuan saying that mainland experts and professors should be allowed to visit Taiwan. They should be welcomed to see all parts of Taiwan. When Liu Haisu came to Hong Kong, I met with him. His wife said that they wanted to tour Taiwan. I particularly went to Taiwan to deal with this matter and talked with the authorities concerned. Other famous people such as Fei Xiaotong and Hua Luogeng have also expressed, through other channels, their desire to visit Taiwan. But none of these requests has been accepted. Taiwan's current policy is that only such people as Mr Chen-ning Yang and Mrs Anna Chennault, who are Chinese with American citizenship, can enter Taiwan.

"In my personal view, I welcome mainland reporters to make a tour of Taiwan. Nothing in Taiwan must be concealed. You can write this in your report: Pu Shao-fu welcomes mainland reporters to visit Taiwan."

This reporter asked Pu whether he will also travel to the mainland to visit relatives and make a sightseeing tour.

Pu Shao-fu said: "The people concerned invited me to make such a tour a few years ago, but I thanked them for their kindness and declined the invitation. In the past, I did hope to visit my hometown, but now I have no relatives there. Pu Shao-fu is regarded by people as a symbol of anti-communism. At midnight on 30 June 1997, I will leave Hong Kong, because at that moment, the five-star flag will be hoisted over Government House and I cannot live under this rule, even though I know that my life would still be good if I stayed in Hong Kong. I might have to become a member of the CPPCC, but I have my own faith."

Taiwan Paper Carries Chen Muhua Interview
HK020615 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 1339 GMT 1 Oct 87

[Text] Hong Kong, 1 Oct (ZHONGGUO TONGXUN SHE)—According to reports from Taipei, the Taiwan newspaper *Industrial and Commercial Times* today published a recent interview by one of its reporters with People's Bank of China President Chen Muhua, who was attending a World Bank and International Monetary Fund meeting in New York. The newspaper used the headline: "If the People's Living Standards Are Not Improved, There Will Be a Social Revolution."

The editor's note said that the interview was made through a third party.

The contents of the dialogue is as follows:

Reporter: How do you view the economic development in Taiwan?

Chen: Taiwan's economy is developing to a very good degree. Being the same country, we certainly hope to see Taiwan's economy develop.

Reporter: How do you view the prospects for economic development in Taiwan?

Chen: Taiwan's economic prospects are bright. However, Taiwan's resources are limited, but the mainland has rich resources. If the two sides complement each other this will be beneficial to both sides. For example, Taiwan will not need to import fuel from other countries, while the mainland will be able to purchase some goods from Taiwan according to market needs, and some goods can be processed in the mainland and then resold to Taiwan. The mainland can be treated as a processing area.

Reporter: How do you view the mainland's economic development?

Chen: Because the mainland has resources and the correct policies, the prospects are very bright and I am full of confidence in this.

Reporter: Should economic liberalization be accompanied with political liberalization?

Chen: We do not use the term "liberalization." We call it "opening up." We are now practicing "socialist commodity economy," which is a planned commodity economy. Fundamentally speaking, we are pursuing socialism, developing commodity production, and strengthening democracy and rule by law.

Reporter: How do you define democracy?

Chen: Democracy refers to the people's participation in the management of state affairs. This should also be practiced in factories. Workers and staff members can put forward reasonable proposals and air their opinions on management and various systems.

Reporter: Why do you think that enhancement of the people's standards of living is so important?

Chen: If people cannot lead a good life, there would be a revolution. If people's living standards are improved and social progress is made there will be no revolution.

Reporter: In communist society all people can have jobs. Does this affect people's wish to work hard?

Chen: In the early period after liberation in order to restore social stability after the war, we had to give jobs to all people. Now, people who work hard and those who do not work hard should not be treated in the same way. If people's work attitude is not good their work prospects will be affected. At present, people in the mainland have to take tests when applying for a job. Only qualified people will be employed by signing an employment contract. People who do not meet the work requirements can be fired. They will have to seek help from "labor service companies" and get allowances for a certain period. If they still cannot find a job during this period they will have to learn another skill and seek other jobs.

Premier Yu Talks With Maryland Governor
OW010033 Taipei CNA in English 1528 GMT
30 Sep 87

[Text] Taipei, Sept. 30 (CNA)—Premier Yu Kuo-hua received U.S. Maryland Gov. William Donald Schaefer at the Executive Yuan Wednesday to exchange opinions on the strengthening of mutual economic and trade relations.

During their talks, Premier Yu noted that the Republic of China [ROC] and United States have long maintained traditional friendship. He said the exchange of visits will help promote the cooperation between the two nations.

Schaefer said the ROC is one of Maryland's main trading partners and mutual trade volume has grown significantly during recent year.

The governor especially urged ROC businessmen to invest in his state and to jointly establish a sales network in the United States.

Schaefer, heading an industrial and commercial leaders' mission, arrived in Taipei Tuesday. He was accompanied by Vice Foreign Minister John H. Chang during the call.

Court Gives 5-Year Sentence for Subversion
OW011101 Taipei Domestic Service in Mandarin
2300 GMT 30 Sep 87

[Text] (Liu Te-chin), who had been charged with plotting to subvert the government, was convicted of attempting to incite internal disorder and sentenced to a 5-year jail term by the Taiwan High Court yesterday.

(Liu Te-chin) was originally tried by a military court. His case was later transferred to the civilian court.

New Olympic Committee President Takes Post
OW010453 Taipei CNA in English 0349 GMT 1 Oct 87

[Text] Taipei, Oct. 1 (CNA)—Chang Feng-shu, the newly-elected president of the Republic of China [ROC] Amateur Sports Federation and chairman of the Republic of China Olympic Committee, assumed his posts Wednesday.

Chang, a minister without portfolio, succeeds Cheng Wei-yuan who resigned the two concurrent posts because he has been tied up to his present post as defense minister.

A changeover ceremony was held at the ROC Amateur Sports Federation Wednesday morning.

Education Minister Mao Kao-wen, who officiated at the changeover, lauded Cheng for his able leadership and great contribution to the development of sports in the nation during his tenure of office.

Mao also expressed his admiration for the remarkable progress in sports promotion made by the president when he was magistrate of Pingtung County and mayor of Taipei city.

As the new leader of the nation's highest sports organization, Chang said that he would spare no effort in promoting sports in all ways:

- By actively taking part in and striving to win various international sports competitions;
- By promoting the spirit of sportsmanship;
- To develop professional sports so as to accelerate the upgrading of athletics; and
- To help the mass media report more sports news, thus making sports activities a part of everyone's daily life.

PRC Formula for Dealing With Taiwan
HK020243 Hong Kong MING PAO in Chinese 2 Oct 87
p 14

[Special dispatch from Beijing: "Beijing Formulates 16-Character Formula for Dealing With Taipei: Eliminate Hostility, Seek Common Understanding, Proceed Step by Step in an Orderly Way, and Promote Reunification"]

[Text] As revealed by sources close to the Chinese side, when two reporters from Taiwan's *Tzu Li Wan Pao* were visiting the mainland, Beijing held an emergency work meeting on Taiwan. The meeting analyzed the situation of the possibility of Taiwan lifting the ban on citizens' visits to the mainland. The meeting made arrangements for strengthening the work dealing with Taiwan under the new situation.

The meeting maintained that there were three contributing reasons for the Taipei government's recent consideration of lifting the ban: 1) the role played by the mainland policy of opening up to the outside world which compelled Taiwan to implement the policy of opening up; 2) pressure exerted by the United States on Taiwan and also Taiwan drawing lessons from mistakes by the Philippines and South Korea; and 3) the role played by the nine-point proposal on peaceful reunification put forward by the late chairman of the NPC Standing Committee Ye Jianying (which is also called "Ye's nine-point proposal"). The Taipei government was compelled to admit the de facto "opening of mail, trade, and air and shipping services" during the 8 years.

It is learned that Beijing was not mentally prepared for the sudden visit by the two *Tzu Li Wan Pao* reporters. Therefore, the meeting mentioned above stressed that the work in dealing with Taiwan should be strengthened, and that preparations should be made for the advent of the new situation. The meeting proposed the following

guiding principle for the work dealing with Taiwan: "Eliminate hostility, seek common understanding, proceed step by step in an orderly way, and promote reunification."

The sources also revealed that the meeting made some specific work arrangements. It was believed that Hong Kong might play an important role. The sources added: China Travel Service in Hong Kong would exert more efforts in receiving Taiwan compatriots. One of the specific measures under consideration was the issuing of home-visit permits for Taiwan compatriots. Due to the fact that the KMT [Kuomintang] authorities in Taiwan have not yet officially lifted the ban on citizens visiting relatives on the mainland, the Chinese side is only preparing to adopt these measures and they have not yet been put into effect.

The meeting demanded that the spirit mentioned above be relayed to central leaders so that they would make more use of occasions to openly promote the atmosphere of peaceful exchanges between the two sides of the Strait. In the past few days, Chinese Premier Zhao Ziyang, NPC Standing Committee Vice Chairman Ye Fei, and Foreign Minister Wu Xueqian reiterated the policy of peaceful reunification for Taiwan, and encouraged Taiwan people to visit their relatives on the mainland.

To support the work arrangements mentioned above, the Chinese leaders will soon officially set up a "Taiwan Affairs Office." For a long time, work involving Taiwan has been administered by the Central Military Commission headed by Yang Shangkun. One of the responsible persons in the PLA General Staff Headquarters, Yang Side, was in charge of specific work. These two leaders will be responsible for making preparations for the establishment of the "Taiwan Affairs Office."

Hong Kong Paper on Taiwan's Mainland Policy
HK020239 *Hong Kong WEN WEI PO* in Chinese
28 Sep 87 p 2

[Editorial: "An Upsurge of Interest in the Mainland Is Stirred Up in Taiwan"]

[Text] The Taiwan *Independent Evening News* reporters Li Yong-teh's and Hsu Lu's visit in China has stirred an upsurge of interest among the Taiwan compatriots in the mainland.

Despite the different political systems in the mainland and Taiwan, mutual understanding and exchange of visits between civilians of the two places should have been restored long ago. If there had been no artificial barrier, a visit to the mainland by any Taiwan reporter would never have been a highly sensational event—this is indeed a belated trip.

The reception that the mainland has accorded to the two Taiwan reporters has been appropriate. First, mainland newspapers have assumed a low profile in covering this

event. Neither playing up nor political propaganda, their treatment of the event is just natural, showing that they have regarded this as a normal non-governmental contact which does not deserve any great fuss. Second, the mainland has adopted a full opening up policy—the Taiwan reporters have not been obstructed from carrying out free coverage, including reporting on backward aspects and interviewing political dissidents. Third, although the two Taiwan reporters have criticized the political system and some phenomena on the mainland in their dispatches sent back to Taiwan, the mainland has shown a calm and tolerant attitude.

Such a treatment of the event is more effective than any propaganda. The two sides of the Taiwan Straits can work side by side in creating an open, harmonious atmosphere and in pursuing the principle of seeking truth from facts. There is no harm in doing more things that are favorable to the promotion of exchange of visits between people living on the two sides of the strait and to the development of national harmony. Partisan interests should never hinder mutual understanding among people. The mainland community composed of 1 billion people is imperfect in many aspects, development of different parts of the mainland is unbalanced, and the mainland lags behind Taiwan in both the people's livelihood and the economic development standard. These are facts which should never be concealed or glossed over. If the mainland authorities were to employ trickery or obstruct reporters from carrying out their duty in the hope of glossing over the backward state of the mainland, they would not possibly implement the opening up policy, nor would they dare to admit Taiwan compatriots into the mainland to visit relatives and friends. Nothing can be covered up when there are massive civilian contacts between the two sides.

The open attitude that the mainland is assuming at the moment shows that Beijing has much confidence and will not hesitate and waver in face of the influx of a large number of civilians from the other side of the strait who are living under a different system. Nor will it worry about the impact of that system on its own system. The reason is that the mainland is progressing and is striving to overcome its shortcomings; it is bound to fulfill the goal of the four modernizations some day. Reunification of the country is the common desire of the people, and any attempt to facilitate civilian contacts between the two sides of the strait is in keeping with the needs of the time.

The two *Independent Evening News* reporters' "first landing" on the mainland is also a natural outcome of the developing situation. Now that the Taiwan authorities, for humanitarian considerations, are willing to lift the long-imposed ban to allow Taiwan compatriots to visit relatives and friends on the mainland, it is necessary to let Taiwan people receive, through the press, some information about communications, catering service, hotel accommodation, entry regulations, and way

of doing things, as well as the people's livelihood, cultural development, finance, and economic activities on the mainland. Otherwise, visitors from Taiwan who enter the mainland without full preparation will waste their time and money or will even have some unpleasant experiences during their trips.

When covering news items concerned, Taiwan newspapers used such titles as "Anxious to Return After 40 Years Away From Home," and "Kinship Between the Two Sides of Strait Can Never Be Cut Off," which show both their view and public opinion.

It is regrettable that, on the return of the two *Independent Evening News* reporters to Taiwan, the Taiwan authorities concerned issued a statement, announcing that administrative action will be taken against *Independent Evening News* and its staff members; the latter's exit applications will be rejected, and Li Yung-te and Hsu Lu will not be allowed to leave Taiwan in the next 2 years. In addition, the newspaper's director and the two reporters will be prosecuted according to the Criminal Law for "giving false information" when applying for exit permission. This decision shows that there are disputes over this issue within the top leadership of Taiwan—the conservatives are gaining ground while the open atmosphere may be suppressed.

We have always maintained that a simple gesture by the Taiwan authorities, say, issuing a statement to denounce the two reporters, would be enough. Anyway, the Taiwan authorities should never exaggerate this event lest it should defy the public's will. The two reporters' visit to the mainland was by no means a violation of the principle adopted by the Taiwan authorities, which is to lift the ban to allow Taiwan compatriots to visit relatives on the mainland. This exploratory visit which was to provide the public with necessary information about travelling in the mainland is beneficial to the public and can help to promote the Taiwan authorities' open profile as well. Application of the Criminal Law as a means to ban the press from reporting on the mainland goes counter to the public's desire and indicates that the inflexible policy of a blockade against the mainland still remains unchanged. Can such a reaction be an expression of freedom and democracy in Taiwan?

If Taiwan has confidence in its present system, it definitely should give lenient treatment to the two reporters. Laws should show a great flexibility—policies can of course be changed as the time and trend have changed. The desire of the Chinese people living on the two sides of the Taiwan Strait for contacts and mutual understanding is a general trend. If Taiwan wants to open its door, it will have to show tolerance and courage.

Opposition Party Urged To Be Responsible
*OW010633 Taipei International Service in English
0200 GMT 1 Oct 87*

[Sation commentary: "DPP's First Anniversary"]

[Text] In contrast to their past record of rambunctious behavior, members of the opposition Democratic Progressive Party [DPP] celebrated the first anniversary of the party's founding with an uneventful street march and a scattering of quiet, more solemn activities. After a fitful start and nearly a year of on again-off again noisiness, the DPP's current soberness, even on its first anniversary, is a reflection of certain political realities that have finally caught up with the party.

Formed on 28 September 1986, the DPP remains an unofficial party, because the ban on the formation of new political parties has yet to be lifted, though it will be soon. Nevertheless, the government has permitted the DPP to function as a bona fide party, as part of the majority party's commitment to political harmony and democratic development.

Few can deny that the DPP started out with a bang. Formed in time for last December's parliamentary elections, the DPP surprised many people by winning nearly 23 percent of the vote. That was considered a hefty amount given the party's relative youth and disorganization. After the election high, however, the DPP began showing signs of division among its more radical wing and party moderates. The radicals demanded that the party have a more combative stance, specially with regard to relations with the majority party, the Kuomintang. They took their cause to the streets in marches and demonstrations, and caused uproars in the legislature with disruptive behavior.

In mid-summer of this year, the DPP's rambunctiousness started to unnerve the public. Public support for the party began to dwindle as the party flirted with lawlessness in the streets. Sensing that continued belligerence may spell political suicide for the party, moderates struggled for control. Although the DPP has been quieter in recent months, the party has been racked by serious division between radicals and moderates.

Two splinter groups have already left the party. One DPP star left the party to form his own labor party. Some other major opposition figures refused to join the party and are contemplating a party of their own. meanwhile, DPP loyalists are confounded by the division, because they know division only hurts the opposition cause as a whole.

In the past week that division has intensified with some factions in the party demanding the ouster of one of the party's founding members and elders, Fei Hsi-ping. Fei is one of the few so-called mainlanders in the DPP and was elected to the legislature back in the original elections on the mainland in 1948. Although a party loyalist,

the more radical members of the DPP are calling Fei a liability for the party. Fei has urged the party to act with more discretion toward the majority party and with regard to political realities on Taiwan.

Fei's dilemma says much about the future of the DPP. As he warns, the party must become a genuine loyal opposition if it hopes to survive politically on Taiwan. The DPP must reckon itself to the reality that most of the electorate on Taiwan is conservative, and opposed to radical alternatives for the island's future.

After one year of oft times noisy existence, the Democratic Progressive Party is not yet decided on which course it will take. It is racked by division, and has had the political initiative taken out from under it by a progressive, liberalization campaign by the majority party. To survive these crises, the DPP will most likely need to focus on the mandate handed it by almost a quarter of the ROC [Republic of China] voters: To perform the role of a loyal opposition in a responsible and effective manner. The DPP has yet to pass this test.

Hong Kong

Secretary Reacts to Call for Open Market
HK020223 Hong Kong *SOUTH CHINA MORNING POST* in English 2 Oct 87 pp 1, 2

[By David Lague]

[Text] Secretary for Monetary Affairs Mr David Nendick was last night puzzled at reports that the United States had called on Hong Kong to open its trading system.

"I don't think there is any country in the world that has as open a system as Hong Kong," he said.

He questioned whether the reports were accurate. "Some U.S. congressmen who have come here have been a lot more sympathetic than remarks attributed to them on the other side of the Atlantic," he said.

U.S. Treasury Secretary Mr James Baker this week called on South Korea, Hong Kong, Taiwan and Singapore to open their trading systems to boost the world's economy. "The major industrial economies are not the only ones with an obligation to the world economy," Mr Baker told officials from 151 countries at the annual World Bank-International Monetary Fund meetings on Wednesday. It is time that South Korea, Taiwan, Hong Kong and Singapore also help preserve the open world trading system. "It is critical that they open their markets where restrictions remain and allow their currencies to reflect underlying economic fundamentals."

Mr Nendick said the Hong Kong Government would continue to peg the Hong Kong dollar to the U.S. dollar. "With this link system the economy adjusts to the exchange rate rather than the other way around," he said.

"We don't take the easy option. Many other countries since 1971 have used exchange rates as a sort of soft option to make adjustments in their relative competitiveness with other countries. There is a feeling now that this is not in the best interests of economies as a whole."

Mr Nendick said a recent World Bank review had highlighted unstable foreign currencies as a factor in declining world trade. His experience with industry had shown that manufacturers needed to know what prices their products would fetch but this was impossible if currency prices changed.

Hong Kong was expected to show a ~~small~~ trade deficit this year after a balanced trading record last year.

Per capita, the territory was one of the world's biggest importers of U.S. goods. "In the overall picture we tend to have a balanced trade position and in no way do we contribute to trade imbalances," he said.

He believed the U.S. blamed other countries for its trade problems rather than seizing export opportunities and opening up overseas markets.

Britain had faced similar problems in the early 1970s, he said, when it needed to make goods to overseas specifications and appoint export sales teams.

"I don't want to knock others but it may be that the U.S. is now having that problem," he said.

"It's a pity if too much attention is focused on the behaviour of others.

"We in the UK were just as guilty of this."

Hong Kong General Chamber of Commerce director Mr Jimmy McGregor also rejected Mr Baker's argument, saying Hong Kong was now a favourable market for American goods. He said Chinese and Japanese products dominated the market but the U.S. dollar had "weakened hugely" against the yen in recent years. "The U.S. competitive position has improved tremendously compared with Japan," he said.

"Our market is wide open to U.S. exploitation. It is a common misconception in the U.S. that Hong Kong is culpable to the same extent as (South) Korea, Taiwan and Japan in restricting the imports of U.S. goods and services. "We have no such restrictions of any kind."

He said U.S. imports were beginning to grow and U.S. companies were expanding into services including banking, shipping and insurance. Little of this showed up in trade figures.

U.S. Treasury Secretary Mr Baker wants a cheaper U.S. dollar because it makes U.S. exports cheaper. But, the governments of South Korea, Taiwan, Japan and Hong Kong, the so-called newly industrialised countries, have refused to allow their currencies to appreciate against the U.S. dollar.

American officials also have long complained that the newly industrialised countries are unfairly barring U.S. goods and services. South Korea's Finance Minister Mr Sakong Il said outsiders told Seoul just two years ago that it had failed to devalue its currency enough. "It is a measure of our success that today (South) Korea is under pressure to do just the opposite," he said.

In a surprise announcement to the World Bank-IMF meetings on Wednesday, Mr Baker asked leading industrial nations to consider a plan linking the dollar's stability and gold for the first time since 1971. The plan was greeted with some scepticism.

Mr Baker's idea was to link this year's currency pact to defend the dollar to a basket of commodities that would include gold. The link between gold and the dollar would be tenuous because it would only be one of several

commodities used to indicate inflation trends. Mr Baker said the aim would be to guarantee that currency arrangements were backed with policies to maintain low inflation in the industrial world.

Last weekend, the seven lending industrial democracies—the United States, Japan, West Germany, Britain, France, Italy and Canada—agreed to continue defending the dollar's stability and coordinate their economic policies.

Chase Manhattan Trust Company's chief investment officer in Hong Kong, Dr John Quinn, said the plan was a "dramatic gesture to get the world away from the dollar as an exclusive measure of value for trading purposes."

Call To Refuse Refugees Asylum Supported
HK010533 Hong Kong SOUTH CHINA MORNING
POST in English 1 Oct 87 p 1

[Text] The leader of a Legislative Council [Legco] group examination Hong Kong's Vietnamese refugee problem said yesterday that a call to deny new arrivals asylum should be given serious consideration.

Mrs Rita Fan said she would put the controversial proposal made by another Legco member, Dr Helmut Sohmen, to her group.

In an exclusive interview with the *South China Morning Post* on Tuesday, Dr Sohmen said boat people should no longer be permitted to land in Hong Kong.

But any outcry over the proposed hardline policy could be averted, he said, if measures were taken to "safeguard" the lives of those turned away.

Mrs Fan said Dr Sohmen's proposal appeared to reflect a rising tide of discontent in Hong Kong with the refugee situation. Mrs Fan said, however, Dr Sohmen's proposal—which has been raised previously by a number of Legco members—could prove to be unworkable even if it won public support.

Britain would still have to approve it—an unlikely eventuality given its insistence that Hong Kong retain the status of a territory of first asylum, she said.

Mrs Fan said more discussion was needed to find a "civilised solution".

"It is a very complicated issue but we have to decide if we really think it is humane to carry on keeping families in closed camps," she said, referring to the existing policy of interning new arrivals in prison-like conditions.

Dr Sohmen's suggestion received a mixed response from other Legco members.

Mr Hilton Cheong-Letn said he "totally disagreed" with the suggestion as it would be inhumane to send refugees back to sea to face an uncertain future.

Mr Hui Yin-fat said it would be greeted sympathetically in many circles because of frustration with the present policy which allowed "economic migrants" from Vietnam to stay while illegal immigrants from China were returned immediately.

The principal assistant secretary at the Security Branch with responsibility for the refugees, Mr Nigel French, said he could not comment on Dr Sohmen's proposals.

But there were no plans to change the existing closed camp policy, he said.

XINHUA Localization Efforts Impeded
HK020247 Hong Kong SOUTH CHINA MORNING
POST in English 2 Oct 87 pp 1, 2

[By Jacqueline Lee and Chris Yeung]

[Text] China's top man in Hong Kong, Mr Xu Jiatun, yesterday said the push by the *New China News Agency* [NCNA] to localise had stalled because it could not attract enough applicants.

Mr Xu said the NCNA had encountered many difficulties in replacing mainland cadres with locals.

"We want to fill our vacancies with Hong Kong people wherever possible.

"Local people know and understand local affairs better and they have wider contacts with the society.

"And the (Hong Kong people) are not wholly unwilling to work for the agency but they are hesitant," he said, citing concern over working conditions and mainland work methods as possible causes.

The NCNA has begun a recruitment drive at university campuses to lure fresh graduates to work in various departments, in particular the news section.

A number of graduates from Hong Kong universities including a vice director, Mr Mao Junnian, and a department head, Mr Li Weiting, have recently been promoted to key positions with the news agency.

Mr Mao is also deputy secretary-general of the Basic Law Drafting Committee and Mr Li is a Chinese team member of the Land Commission.

Despite the recent promotion of Mr Mao, sources said the NCNA had encountered difficulties in implementing its localisation policy because of the political sensitivity of the community.

A number of new recruits in the news department have also quit their jobs in recent months, complaining they were unable to cope with the mainland style of management, the sources said.

Speaking at a Chinese National Day reception, Mr Xu declined to comment on a report in a local Chinese-language magazine, *The Nineties*, that an "internal document" about Hong Kong's future political system was being circulated among the upper echelon of leftwing organisations.

The document was said to warn that:

- Direct elections must not be introduced to Legco before the Basic Law is promulgated.
- The proportion of elected Legco members has already reached an alarming level.
- The governor should continue to head both Legco and the Executive Council.
- Attention must be paid to the possible development of district boards into a "regional Legco" to confront the central government.

Mr Xu said he could not comment on the report because he had not read it.

The Nineties is regarded as a relatively independent magazine.

Ji Pengfei Meets Hong Kong Entrepreneurs
HK010819 Hong Kong ZHONGGUO XINWEN SHE
in Chinese 1358 GMT 28 Sep 87

[Text] Beijing, 28 Sep (ZHONGGUO XINWEN SHE)—Ji Pengfei, state councillor and director of the State Council's Hong Kong and Macao Affairs Office, tonight received the delegation of Hong Kong entrepreneurs headed by Ms Chang Yung-chen at Diaoyutai State Guesthouse. Ji Pengfei also gave a banquet there in honor of the Hong Kong entrepreneurs who came to Beijing to exchange enterprise management experience with their Chinese counterparts.

The delegation headed by Ms Chang Yung-chen, president of the Hong Kong Management Association's enterprise development center, and vice chairman of the Chinese General Chamber of Commerce in Hong Kong, was invited by Wu Wenying, minister of textile industry. They arrived in Beijing on 25 September. They have held talks with the China International Personnel Exchange Association and the National Federation of Industrialists and Businessmen. Today, they visited No 1 National Cotton Mill, attended a lecture meeting on the factory director responsibility system, and visited the enterprise management college in Qinghua University.

State Councillor Zhang Jingfu also received the delegation.

Ms Chang Yung-chen and her 13-member delegation will leave Beijing and return to Hong Kong tomorrow.

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